

# FINANCIALTIMES

PUBLISHED IN LONDON AND FRANKFURT

Wednesday March 24 1982



#### NEWS SUMMARY

### Army officers stage coup in Guatemala

As tanks and troops sur-amid protests of frand from all rounded the presidential palace other candates. and army helicopters flew overhead, police were disarmed and national radio began to broadeast martial music.

A statement on behalf of the officers said the coup was staged because the "young staged because the "young officers' movement" had risen against "corruption after a fraudulent election." The coup follows the March 7 backed coup.

General

ncan Grent

#### Begin may resign after tied vote

Israeli Prime Minister Menathem Begin was poised to resign last night and call new elections after an opposition no-confidence motion on West Bank policy resulted in a tie.

#### Shuttle 'damage'.

Astronauts orbiting in the U.S. space shuttle said some of the thermal tiles shielding the nose from heat in re-entry were missing or damaged.

#### N-sub crash

A U.S. nuclear submarine collided with a Turkish freighter off the Virginia coast, the U.S. Navy said, reporting only "cosmetic" damage.

Polish defiance The leader of the Polish journalists' association, banned at the weekend, spoke out publicly against the authorities.

#### N-blaze probe

launched into a fire last Friday, Page 26 at the nuclear reprocessing plant at Windscale, Cumbria.

#### Brixton job offer

Scotland Yard launched a recruiting campaign a Brixton, scene of serious rioting last

#### Nurses to appeal

Nurses' leaders will appeal to the Government for a better pay offer. They warned of possible industrial action after management refused to improve its package. Page 8

#### **Backing for TUC** Senior civil servants have decided to back most of the TUC's proposals for action against the Government's

Employment Bill. Page 8 Setback for youth

#### The autonomous youth centre in Zurich, focus of severe

clashes with police in 1980, was demolished by the authorities.

#### Prisoners freed

Argentina announced the release of 80 political prisoners to mark the sixth anniversary of military rule.

Doctorate award The Financial Times's Science Editor is to be awarded an honorary doctorate by the University of Salford. Page 7

#### Menu switch

A cobra killed and ate a mongoose in the first case of its kind recorded in Zimbabwe.

Rotten egg smell, possibly a stink bomb, greeted peers in the House of Lords yesterday.

#### Guatemalan army presidential election, in which officers have seized power from the official candidate of the the military government of armed forces, General Anibal General Romco Garcia Lucas. Guevara, was declared winner

No. 28,732

There has been a rapidly escalating guerrilla war in Guatemala over the past two years as left-wing forces repre senting the huge majority of peasants have sought to undermine the right-wing military who have controlled the country since a 1954 CIA-

#### BUSINESS

#### **Gold Mines** add 14.1; Gilts up

● GOLD rose \$8 to \$329.5 in London, reflected in the Gold Mines index, which gained 14.1 for a four-day rally of 35 points, nearly 16 per cent, to 254.6. In New York the Comex March close was \$326.4. Page 21

GILTS rose on interest rate hopes. The Government Securities index added 0.49, extending its 11-month high to 69.55.

• EQUITIES were encouraged by gilts and by the prospects of a new Government policy on cable television. The FT 30-Share index closed 6.2 higher at 564.3. Page 28

● DOLLAR eased in the after-noon, closing lower at DM 2.3845 (DM 2.3885) and SwFr 1.896 (SwFr 1.9015) but higher at Y245 (Y244.9). Its Bank of England index was down one point at 114.9. Page 21

STERLING moved in line with the dollar, adding 20 points at \$1.6025. It was firmer at FFr 11.265 (FFr 11.24) but dancing licence at the premises of the Stardust disco, where 48 cited last year.

STERLING moved in line with the dollar, adding 20 points at \$1.6025. It was firmer at FFr 11.265 (FFr 11.24) but down at DM 4.3 (DM 4.305) and SwFr 3.42 (SwFr 3.425). Its trade-weighted index was 91.2 (91.3). Page 21

● WALL STREET was up 2.76 An investigation has been at 822.30 before the close.

#### **ITT** sells Standard shares for £50m

• ITT, the U.S. conglomerate, raised £50m in London by selling about 10 per cent of the shares of Standard Telephone and Cables, its UK subsidiary.

 AMERICAN EXPRESS will rent a new Manhattan tower block for 35 years for over \$2bn (£1.1bn), in what is claimed as the world's biggest property leasing deal. Back Page

• CHINA launched a drive to attract \$1bn £555m) in foreign investment to modernise and expand industries, after a period of inactivity.

■ GOLD FUTURES market opened in Japan.

• STOCK EXCHANGE ruling council is expected to make a statement today on modifica-tions to proposed higher charges made by stockbrokers in the gilt-edged market. Page 6

● A NEW case of foot and mouth disease was confirmed in Denmark, near where a case was discovered last week. Page 27

 LONDON and Scottish Marine Oil Company saw taxable profits jump from £47.3m to £113.2m in 1981, on sales well up at £237.1m (£108.4m). Page 18; Lex, Back Page

• BURTON GROUP, clothing retailer, lifted pre-tax profits for the 26 weeks to February 27 from £8.55m to £14.17m. Page 18; Lex, Back Page

SMITH AND NEPHEW Associated Companies raised final quarter pre-tax profits to Road accident first-quarter £9.06m (£7.65m) and the figure figures last year were down for the year to January 2 to £29.13m (£24.32m), Page 18

### Unemployed total falls Navy strength to below 3m but trend remains upwards

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE NUMBER unemployed, including school leavers, fell to just below 3m in March. But the underlying trend is still upwards after allowing for seasonal factors. Official figures published yesterday show the rate of increase of unemployment on a seasonally adjusted basis has been slowing markedly, how-ever, in the first three months

The adjusted total for adult unemployment in March was 2.82m, an increase of 5,000 since February. This is only about a tenth of the average monthly rise last summer. The unadjusted or "head-line" figure for unemployed was 2.99m in March. This was 53,000 less than last month, the largest monthly reduction since

September 1979, and the largest March fall since the war. The average increase in the adjusted unemployed total has been 18,000 a month in the first hree months of the year.

Allowing for a special scheme to take some men over 60 off the register, the underlying increase is estimated to be about 20,000 a month compared with about 30,000 a month in the last quarter of last year. unemployment was rising at an next few months, with perhaps underlying rate of about 77,000 a small fall in the headline

The proportion of the work-



however, the proportion has been slightly falling from a post-war peak to 12.9 per cent in January to 12.5 per cent this month.

Further seasonal falls in unemployment can be expected until July, when the first of this year's school leavers will come on to the labour market.

Next month, the seasonal fall is expected to be about 24,000 compared with an estimated 41,000 this month. In May and June, seasonal falls of about 50 000 a month are expected. Therefore the unemployment figures can be expected to look In January-March last year, reasonably encouraging for the next few months, with perhaps

However, independent foreforce without jobs has remained casting organisations are pessisteady at 11.8 per cent, on an adjusted basis, from the begin outlook. The National Institute ning of the year. Unadjusted, of Economic and Social

Research and the London Business School expect the adult adjusted total to continue rising until the middle of the

decade to over 3m. One reason for caution about the trend is that recent evidence of improved productivity in industry may suggest that relatively fewer jobs would be created for any given increase in national output.

The figures in the first three months of this year provide some encouragement. The slower increase of unemploy-ment was matched by a gradual improvement in the number of vacancies notified to employment offices. For January-March the average monthly figure was 112,000 vacancies, 7 per cent more than in the last quarter of 1981 and 14 per cent up on a

year before.

There was a slight fall in the number of vacancies notified in March, to 111,000, but this was still significantly above the average for the last three months of lets week. months of last year.

The number of people covered y special employment and training measures was 573,000 last month. This included 33,000 accepted for the Young

Workers' scheme
The special schemes are estimated to have reduced the total registered as unemployed by about 320,000. The total has also been reduced by about 27,000 by the transfer of longterm unemployed men over 60 from unemployment benefit to supplementary benefit.

### Nigeria halts letters of credit to reduct imports

BY QUENTIN PEEL AND PAUL CHEESERIGHT

commercial banks in Lagos to of credit at March 31. stop issuing importers with letters of credit and processing foreign exchange in a dramatic attempt to reduce imports.

result of the international glut has left the country with a trade deficit running at about \$600m (£333m) a month. Oil production has fallen from 1.8m barrels day in January to about 1.2m b/d earlier this month. The moves on credit and

foreign exchange, effective from midnight last night, are seen as a holding operation by the Central Bank, pending the introduction; of more specific Import restrictions, intended to cut imports by at least one third—from the present level of \$1.8bn to about \$1.2bn a month.

The Central Bank has also asked commercial banks for

NIGERIA vesterday ordered details of all outstanding letters, favoured mo The budget introduced last December extended the import licensing system, and widened the scope of pre-shipment inspection procedures to include A slump in oil sales which spare pairs and raw materials has forced production cuts as a as well as manufactured goods. However, the budget has yet to be approved—hence the need for

immediate administrative action. fallen to little more than \$3hn at the end of February, a third of their value 12 months before. This is less than enough to pay for two months' imports.

Refusal by the Central Bank to sanction payment for imports by letters of credit, combined with suspension of processing foreign exchange applications the so-called Form M - would have a drastic effect in reducing Nigeria's import bill after about two months.

Letters of credit are

merchandise trade, and all foreign remittances have to be approved by the Central Bank. Bankers in London and Lagos last night discounted suggestions that the Nigerian move was an immediate response to the oil production cuts agreed last week by Opec. The cuts be approved—hence the need for were accompanied by a plan to immediate administrative action.

Nigeria's foreign exchange reserves are estimated to have Kuwait and Abu Dhabi.

Under the Opec agreement, Nigeria has a production quota of 1.3m b/d-only just enough to finance its capital budget for the current year of about \$11.5bn, at \$36 a barrel. At the agreed price of \$35.50, revenues will, therefore, fall short of the budget estimate, and the planned limit of \$3.1bn on foreign borrowing may have to

Editorial comment. Page 16 Oil industry moves to put up petrol, Page 6

### S. Pearson seeks Longman minority

BY BARRY RELEY, FINANCIAL EDITIOR

Longman, interests include the Financial tive

The new initiative comes about three and a half years after a previous bid for the minority failed to win sufficient support from Pearson Longman's shareholders.

The new initiative comes be reached by the time the preliminary results of both companies are announced at the end of April. The results will show that pre-tax profits of Pearson rose from £47.7m to not less than £59m in the year ended the companies are also and the pearson than £59m in the year ended the pearson to the pre-tax profits of Pearson rose from £47.7m to not less than £59m in the year ended the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of both companies are announced at the end of the pre-liminary results of the pre-liminary results of b

lowed several days of sharp rises in the Pearson Longman share price. After the news the price rose a further 18p Mr Michael Hare, deputy to close at 290p last night, at chairman and chief executive which the outstanding minority of Pearson, said yesterday many S. Pearson tries again, Page 19

S. PEARSON has started uscussions which may lead to an
offer for the publicly held improved 4p to 252p.

The share price of S. Pearson
improved 4p to 252p.

Pearson says an offer will not company."

Pearson says an offer will not be made unless agreement on Referring to the earlier offer, Mr Hare said: "We S. PEARSON was started dis-holding is valued at £43.5m. of the reasons for the 1978 offer cussions which may lead to an The share price of S. Pearson were still valid. "We think

thought we had made as good an offer as was possible in the circumstances." The negotiatwo boards and their respecadvisers. It is hoped agreement might be reached by the time the pretions would on this occasion be handled differently, however, with a view to "much fuller consultation with some of the principal shareholders than

was possible last time."
The Stock Exchange's quotathan £59m in the year ended December 1981, while Pearson Longman's profits improved from £15.7m to at least £21m Mr Michael Hare, deputy one of its routine inquiries into the sharp price rise in Pearson Longman's shares over the past few days.

Commercial law: cheap gas contract

lawfully terminated .....

#### West Germany: a scandal shakes the unions ..... Hillhead: the old loyalties don't break easily ...... 17 Currencies and inflation: misleading mechanical devices ...... 17

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For latest Share Index phone 01-246 8026

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ANNUAL STATEMENTS

Unit Trusts:

## be cut by 10,000 over five years

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

TOTAL strength of the Royal Navy will be cut by 10,000 over the next five years with 4,000 compulsory redundancies, the Government said yesterday.

Naval training will be cut by a third and six shore bases, most of them at Portsmouth, are to close in an effort to get "major economies for a com-pletely restructured Royal pletely

The job cuts, which will bring the number of Navy personnel to 62,000 by 1986-87, are in line with the strategy of a reduced surface ship role for the Royal Navy, announced in the defence review White Paper, The UK defence programme: the way forward, in June.

Further substantial job cuts are on the way and the process may not be completed "for some years," the Ministry of Defence said yesterday after a Commons written reply on the plans for the next five years from Mr Peter Blaker, Minister for the Armed Forces.

All Royal Navy crews and staff at shore stations received details of the cuts and "restructuring" the Royal Navy in a personal signal from Admir A Sir Henry Leach, the First Sea

He called for Navy staff to "go to" the changes but warned that the manpower rundown would continue for some years "on about the same scale" as proposed now.

The shore stations to close are HMS Fishguard, Torpoint, Cornwall, with the loss of about 100 jobs by next year; HMS Phoenix and Excellent at Portspective and the loss of a total mouth, with the loss of a total of 160 jobs by 1984 and 1986 adopt a new operating pattern over the next three years to take account of the revised maintenance cycles where ships that the second of the revised maintenance cycles where ships that the second of the revised maintenance cycles where ships that the second of the revised maintenance cycles where ships that the second of the revised maintenance cycles where ships that the second of the revised maintenance cycles where ships that the second of the revised maintenance cycles where ships the second of the second of the revised maintenance cycles where ships the second of the revised maintenance cycles where ships the second of the second of the revised maintenance cycles where ships the second of the seco

Hals Femoroke, Charles, will close next year. The closure of Chatham Naval Base was

civilian workforce at naval late 1983." Compulsory redundancies have

uniformed and Chatham naval bases as part of the cut of about 12,000 in the workforce at naval dockyards and other sites of flegi support work also announced

in the White Paper.

The first phase of the 4,000 compulsory redundancies of uniformed personnel will start later this month when 500 staff are told they are to lose their jobs. By the end of the year 500 officers and 1.500 naval ratings will lose their jobs. The other 1.500 job losses will come a year later.

The marine engineering base

of HMS Caledonian, at Rosyth on the Firth of Forth, is also to close. It will become a ficet accommodation centre by 1985 however, and up to 600 extra 10bs will be created as the dock yard there expands.

The aim of the changes was to

release maximum resources for front-line capability" in the navy. Mr Blaker said. Wide-ranging changes were planned also for the system of

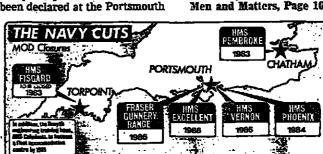
manning and training. Admiral Leach said the aim was to "capitalise on the skill, experience and long service in the fleet," cutting the scale of shore training. Longer sea drafts of up to

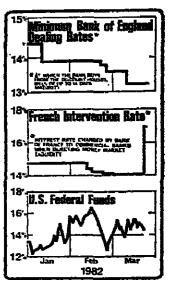
three years were planned and "for many people" this would mean more time at sea; for the surface vessels "this will involve consecutive sea drafts." The MoD also planned to keep neonle at sea longer and to keep trained crew in one job. Overall, training activities

would be reduced by 20-30 per cent, the First Sea Lord said. Onboard training at sea would

confirmed that HMS Invincible, the anti-submarine vertical take-off Harrier aircraft carrier, These cuts will reduce the will be sold to Australia "in

> on navy cuts, Page 10 Men and Matters, Page 16





#### French lift interest rates to boost franc

THE BELEAGUERED French franc came under renewed heavy attack from sellers in European foreign exchange markets yesterday, and was forced down to the floor of its permitted rate within the European Monetary System against the D-Mark in spite of further support from Conmental central banks.

After concerted intervention by the Bank of France and the West German Bundesbank in support of the French and Belgian franc, the French authorities raised the seven-day Treasury Bill discount rate 2 percentage points to 20 per

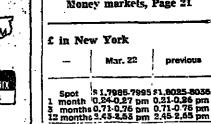
Last week the French money market intervention rate for relieving shortages was raised in stages from 141 per cent to 17 per cent.

In Paris yesterday the franc dropped to FFr 2.6205 against the D-mark, its lowest permitted level, at the fixing, compared with FFr 2.6146 on Monday. It continued to remain at the floor take account of the revised fell to a new record low against maintenance cycles, where ships and dollar of FFT 6.274 commended to the control of the state of the one dollar of FFT 6.274 com-

> However, in London the French franc recovered a little to close at FFr 220 against the D-mark after the rise of French interest rates in the afternoon. Against sterling in ondon the French currency closed at 11.265, down from 11.24 on Monday.

Yesterday, M Jecques Delors, Continued on Back Page Money markets, Page 21

Mar. 22



Wherever it's being...
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#### Shell Transport ... 372 + 8 Ultramer Exchar 12 pc 1985 £96 + 7 Treas 12 pc 1995 £917 + 1 Treas 117 pc 03-07 £927 + 1 BET Dfd ....... 175 + 9 Rritish Sugar ..... 440 + 26 Burton 171 + 12 Eagle Star 282 + 6

(Prices in pence unless otherwise indicated)

CHIEF PRICE CHANGES YESTERDAY

Hartebeest .....£21# + 2 Poseidon 90 + 8 St Helena £137 + 1 Electronic Rentals 99 Fife Indmar ..... 145 + 10 Imperial Group ... 93 + 21 FALLS Standard Tiphus ... 523 - 10
Tomatin ... 49 - 3
Vickers ... 160 - 4
Watmoughs ... 188 - 12

Financial Times Monday March 22 1982

#### **EUROPEAN NEWS**

PRICES PROTEST DRAWS THOUSANDS TO CAPITAL

### Angry farmers fill Paris streets

FRANCE'S peasant class showed Metro entrances. itself in the streets of Paris yesterday in a peaceful demon- the biggest by French farmers stration as impressive as any-thing seen — or heard — in the capital since the riots of 1968. With just a week to go before the EEC's farm price deadline, the organisers claimed a turnout even bigger than the 100,000 they had hoped for. Anti-British banners, with Brussels.

slogans such as "English outdown with Thatcher" and "Messieurs les Anglais, play the game," were scattered through the parade. It stretched the whole 4-mile length of the march route fro mthe Place de la Nations to the showgrounds of the Porte de Pantin on the

The paralysed eastern sector of Paris sounded like a warzone as demonstrators exploded bird-scaring fireworks and lobbed thunderflashes down

The demonstration, said to be for more than 25 years, was the climax of mouths of local protests against prices which for the past eight years have failed to match increases in production costs. The farmers want the Government to press for a 16 per cent increase in

#### Coach convoys

The farmers arrived in the capital in the morning in conyoys of coaches and special early trains. Grouped by region, the Right-wing strongholds of champagne, the marchers were led by the chiefe of the ch ful FNSEA union and its young farmers' affiliate. Abead of them were a couple of dozen trac- a banner referring to the Agri-

clattering on ropes. Almost all the marchers were

men, many of them middle-aged or older, wearing union stickers on their chests or the top of their cloth caps. The wine regions of Bordeaux and Burgundy joined in and great names, like Pommard and Puligny-Montrachet marched past on banners.

A group of 500 or more from the southern Gers region had bought themselves uniform yellowand-green cycling caps, and the people from near the Swiss border came with their

the British or the Common Agricultural Policy. 'Madam Cressosn," announced

tors and, in the very front, culture Minister, "your smile is empty milkchurns were dragged an insult to the peasants." Another banner, playing on her name, which means "water-cress," read: "Wanted-a weedkiller for Cresson."

#### Sole control

About 5,000 stewards wearing green armbands were in sole control of the march. The police were almost nowhere 😕 be seen. This was probably wise, for the demonstrators had obviously come prepared with

Near the end of the march. there was an outbreak of hilarity when a man appeared at a first-floor hotel window in his underpants and was bombarded with unused eggs. Taking it all in good spirit, he came back to the window armed with a frying-pan.



Tractors lead the protest in Paris

#### Pertini visit will boost Italian-U.S. relations

By Rupert Comwell in Rome

A WEEK-LONG official visit to the U.S. by President Sandro Pertini of Italy, which begins today, will add a new dimension to the currently flourishing relations between the two countries. · Washington has long looked with favour on Rome among its West European allies, not least because of Italy's promptness in accepting the installation of 112 Cruise missiles, and the ostensible acceptance of a tough anti-Soviet line after the Polish

On top of this has come gratitude at the spectacular success of the Italian security forces in releasing Gen. James Dozier from the clutches of the Red Brigade in January.
All, however, will be thrown

into sharper relief by the remarkable personal qualities of President Pertini himself not least his physical stamina. At 85 years of age, he has just completed a similar visit to

The Italian President's constitutional powers are slight: Yet, since he took office in 1978, he has come, more than anyone else, to embody what is best in Italian life, beyond the scandals, the disorganisation, and the shortcomings of the

paradoxically, is greatest among the young. He is by far the most popular politician in Italy, one of the last survivors of a generation forged in anti-Fascist and anti-Nazi resistance. In the U.S., he will travel from Washington and talks with President Ronald Reagan to San Francisco, Chicago and New York, all of which have large Italo - American com-

Despite possible differences over the East-West arms buildup, Sig. Pertini is sure there will be no problems with President Reagan, 15 years his junior. "We'll get along very well," he said this week; "He's a real extrovert, just like me."



Sig Pertini . . . remarkable personal qualities

#### Haughey runs into early vote problems

By Brendan Keenan in Dublin THE INSTABILITY of the present Irish Parliament was emphasised on its first full day of business when the Government of Mr Charles Haughey failed to win a vote on the election of Deputy Speaker. The vote was tied 80-80 after four left-wing members voted with the opposition and another, Mr Tony Gregory, abstained.

when Dr John O'Connell, the Speaker, used his castling vote in favour of the Government's nominee, Mr James Tunney. Dr O'Connell did exactly the opposite when the same thing happened at the start of Dr Garret FitzGerald's administra-

The vote would not have threatened Mr Haughey's administration, but it illustrated the unreliability, from the Government's point of view, of the left-wing members, particu-Party, which has three seats.

### **EEC** ministers voice fears for West Bank

BY JOHN WYLES IN BRUSSELS

the Israeli-occupied West Bank and acknowledged their fears of a possible annexation of the area by Jerusalem.

Mr Leo Tindemans, the Belgian Foreign Minister and president of the EEC Council of Ministers, said after yesterday's meeting that the possibility of Israeli annexation of the West Bank had been discussed.

we wish to verify," he added. Recent riots and deaths in the area had increased Europe's fears of a "possible explosion of violence" on the West Bank, said Mr. Tindemans.
The Community's worries

"This is a hypothesis that

will be emphasised to the The topic was specifically

raised during yesterday's dis-cussions by M Claude Cheysson, the French Foreign Minister. who is said to want to soothe Arab fears that the balance of after Congressional elections the EEC's approach to the in November.

COMMUNITY Middle East problem has been Foreign Ministers yesterday tilted in favour of Israel fol-emphasised their "grave con-lowing President Mitterrand's cern" about developments in recent visit to Jerusalem.

Mr Tindemans went on to signal yesterday that the Community was embarking on a thorough review of its Middle East policy, which could lead to an adaptation of its cele-brated Venice Declaration

The most likely outcome could well be a more explicit appeal by the Community for negotiations on the creation of a Palestinian state. But no decisions on this will be taken until after Israeli withdrawal from Sinai, which is due to take place under the Camp David agreements on April 25 Mr Tindemans said that he would visit the area on behalf

on the Ten both before and after Israeli withdrawal. The indications are that the Ten British Foreign Secretary, who might be gearing themselves is visiting Jerusalem in the up for a new diplomatic initiative to fill a looming wastern policy. Senior argue that the U.S. is unlikely to mount any fresh moves on

the Middle East problem until

### Britain drops objection to distilling of wine surplus

BY LARRY KLINGER IN BRUSSELS

conditional approval to Euro- release to be made under difpean Commission proposals to facilitate a lasting truce in the often violent Franco-Italian "wine war"—a move which could also lessen the tension between the UK and France 'wine over EEC farm policy as a

The measures provide for the extra distillation of up to 650m litres of wine into industrial alcohol to mop up the current EEC surplus and calm French farmers' fears over cheap Italian imports.

Britain's agreement is subject to ratification by the House of Commons today.

Britain last week rejected the

original proposals as a poten-tial threat to its own industrial alcohol industry, but yesterday accepted arrangements agreed by all EEC member states that the Commission would be promise, Britain, with the sup-informed in detail of any plans port of West Germany. Belgium to dispose of the subsidised alco-and the Netherlands, succeeded hol from public stocks on to the

BRITAIN YESTERDAY gave transaction or require the ferent conditions of price or

The UK had argued that the original measures posed a parti-cular threat to BP, the British energy group which has recently stepped up investment in industrial alcohol production and currently holds around 30 per cent of the EEC market.

However, Britain's veto was strongly criticised at the time as being only a ploy to strengthen its bargaining posi-tion in the current EEC guaranteed farm price negotiations. France was particularly angered that the veto came just ahead of last week-end's local elections, in which the French Government's coalition parties lost much ground.

As part of yesterday's com-promise, Britain, with the supin reducing the originally proopen market.

The Commission, which has maximum to the 650m litre undertaken not to approve any release that would disrupt the stances could come down to market, could then approve the 625m litres.

#### Journalists' leader warns

Jaruzelski By Christopher Bobinski

THE LEADER of the Polish Journalists Association, which was banned at the weekend, warned Poland's martial law Government yesterday that "even if the authorities feel they are winning for the moment, naked power is not enough. This country is not to be defeated."

Mr Stefan Bratkowski was speaking at an impromptu news conference on the steps of the Association's headwent to be told officially of the ban. Since martial law was imposed last December Mr Bratkowski has avoided the limelight and yesterday was his first public pronouncement since then.

He was a member of the Communist party until his expulsion last autumn and knows General Wojciech Jaruzelski, Poland's military leader, personally, Expanding on his warning, Mr Bratkowski said that "the

Mr Bratkowski satu tuat protecting powers," meaning TPIN RONN Government, and the country's Warsaw Pacinme The vauthorities have agreed ths" when "the authorities realise what they have done and are doing," a return

to conciliatory policies might he possible. Mr Bratkowski returned to a favourite theme when he said that Poland needed a new arrangement, which would provide "guarantees for the Soviet Union, for the Western

creditors and for democracy in the country. He expected 10 per cent of Poland's 10,000 or so journalists to lose their jobs as a result of the purge in the media.

Reuter adds: Meat rations in Poland may have to he reduced further because of a shortage of feed grains, the Peasants' Party newspaper, Dziennik Ludowy, reported

It said Poland, deprived of new credits because of the military crackdown, would only be able to import 4m tonnes of grain this year compared with 7.5m tonnes in Meat

capita was 73.3kg in 1980, fell to 64 kg in 1981 and this year would probably drop to between 58kg and 60 kg or

### Foreign banks refuse to sign pact to aid Belgian steel giant

BY GILES MERRITT IN BRUSSELS

in Belgium that bears almost of the ailing Cockerill-Sambre steelmaking giant has refused to sign the funding protocol designed by the Relgian Government to help stabilise the company's debt.

Some 10 large international banks - notably such U.S. lenders as Citibank, Manufac-turers Hanover Trust, Morgan Guaranty and Chemical Bank, and France's Banque Nationale de Paris and the Société Générale—have told the Belgian authorities their continued support for the steelmaker is not in question. But they will not join six Belgian financial institutions as signatories.

The protocol, which reconfirmed the BFrs 28bn (£345m)

worth of commercial credits to Cockerill-Sambre and arranged a further BFrs 9bn (£111m) in Sine March 25-27 demonstrateet state guaranteed loans, was tions begin with a 24-hour rail calm originally to have been signed sprike, move on to a day's tion.

creditor banks. Senior foreign bankers in Brussels were making it clear and culminate in a threatened

being pursued by Belgium's centre-right coalition. However, it cannot help the Government's efforts to still disquiet over the situation both at Cockerill-Sambre and in the surrounding francophone region of Wallonia. Wilfried Mr

Christian Democrat-Liberal co-alition faces a tense three-day period at the end of this week when the country's major trade unions are due to stage protests against its handling of Cockerillbre's restructuring, its overall strategy of economic austy and the threatened aking of railway services.

THE GROUP of foreign banks by both domestic and foreign general strike on March 26 called by the Socialist FGTB union that dominates Wallonia. yesterday that their decision march by 100,000 CSC Christian does not prejudice their confidence in the economic policies The volatile mood in Belgium's

economically hard-hit southern industrial region of Wallon a has not been eased by the recent prominent Socialist ex-Minister that the Government may be planning to use military units against the demonstrators. There are signs, however, that a number of the Cockerill-

Sambre workers who have been holding strikes throughout the steel towns of Wallonia for the past month may be on the point of calling off their action. As La Libre Belgique, one of the country's foremost French language newspapers, com-mented yesterday, Belgium is teetering between a return to

### West German jobs plan agreed

· BY OUR BONN STAFF

THE RONN Government, and Bonn on Monday evening con-ne the i authorities have agreed centrates heavily on North-er Mr amme to creat jobs in Rhine Westphalia, the province the country's walsaw and the validorities have again meighbours; should rememble ower that power alone could now Mr. amme to creat jobs in that power alone could now was said hit by the seventhat power alone could not amme to creat jobs in the term. He also expressed the steel industry. It will offer tax areas such as Bothum or Dortterm. The also expressed the steel industry. It will offer tax areas such as Bothum or Dortterm that in "four to six steel industry. It will offer tax areas such as Bothum or Dortterm that in "four to six steel industry. It will offer tax areas such as Bothum or Dortterm that in "four to six steel industry. It will offer tax areas such as Bothum or Dortterm that power alone could not be seventerm. He also expressed the steel industry. It will offer tax areas such as Bothum or Dortterm that in "four to six steel industry. It will offer tax areas such as Bothum or Dortterm that power alone could not be sevento the steel industry that the programme to create jobs in the target
that power alone could not be seventerm. He also expressed the steel industry in the steel industry grants to industry which, it is hoped, will provide some 44,000 jobs up to the end of 3985. chiefly in the steel towns of

This is roughly equivalent to the number of jobs already lost in restructuring operations in the steel industry since 1974, but these are fears of unther large redundancies over the The agreement, reached in

can expect up to 10 per cent.

The great advantage for Bonn is that the programme re-package of aid and investm quires no new federal grants to the steel industry. budgetary disbursement. The funds will be provided by an authorities, and a further 6.25 and regional aid.

per cent bonus from the re-gional government of North Rhine Westphalia. The target

some 15 per cent of their costs. areas the principle of public aid. Those expanding production for structually weak regions that has been in force for some time. year of a DM 1.34bn (£311m) package of aid and investment

Other areas affected include the Saarland, where 5,600 more 8.25 per cent tax rebate for jobs are to be created through investment, shared between measures including some investment, shared between measures including some government and the regional DM 66.5m (£15.4m) in federal

### Labour bar spelled out to Lisbon

BY DIANA SMITH IN LISBON

Richard, Commissioner for Portugal which can be surplus man-Social Affairs, Education and has exported its surplus man-

THE European Community guese workers already emcannot agree to Portugal's de ployed in the 10-member counsire for free circulation of its tries will be allowed to change manpower immediately after their jobs in those countries. This has been free circulation of labour is at home and the decline of accession. This has been free circulation of labour is agriculture has left many stressed in Lisbon by Mr Ivor, of paramount importance to young, she bodied Portuguese Richard, Commissioner for Portugal which traditionally with the belief that only in Social Affairs Education and has exported its surplus man.

migrants, he said. The Euro- difficult to secure accurate is clearer, some enthusiasm pean Commission has made a figures, but between 1m and about EEC membership has concession, however: Portu- 2m Portuguese already live in waned.

Europe can they find a better Job Training.

The EEC's 11.2m unem. Emigrants send home about believed that Community memployed are a self-evident argu. \$3bn a year, fleshing out the bership would grant them an immediate unlimited new job ment against immediate free country's chronically thin cur-immediate, unlimited new job circulation by new Portuguese rent account receipts. It is market. Now that the reality

decision-making in the three-party coalition Cabinet which came to power in November. Deep divisions between the Christian Democrat, Labour, and Democrats 66 parties have delayed effective action on the pressing economic problems. Two recent opinion polls have confirmed that the popularity of Labour Party continues to wane. Labour can now count on the support of only 22 per cent of the electorate, com-

Local polls

may break

deadlock in

**Netherlands** 

DUTCH VOTERS go to the

polis today to elect councillors

to the country's 11 provinces

in the first test of the Nether-lands' political climate since last May's general election.

With the provinces occupying an ill-defined middle ground

between central and local

government, national rather

than provincial issues norm-

ally determine voting pat-

terns. The outcome of the election, which will not be known until

around midnight tonight, is

expected to break the log-jam which has paralysed

By Charles Batchelor

pared with more than 28 per cent at the last general election, according to the polls. The Christian Democrats, led by Prime Minister Dries van Agt, have increased their share of the vote slightly from the 31 per cent attained in the general election. The third coalition partner, the Left-of-Centre Democrats 66,

have roughly maintained their position.

If these poll findings are con-firmed by the provincial election result, and as much of a quarter of the electorate is still undecided. Mr van Agt could interpret this as support for his policy of sub-

stantial public spending cuts and reductions in the scope of the generous Dutch welfare system strong performance by both the Christian Democrats and

the opposition Liberal Party could even prompt him to bring the present coalition to an end and call new elections in the hopes of resurrecting a coalition with the right-of-centre Liberals. Mr van Agt has made no secret of the fact that he felt

much happier sharing power with the Liberals in the 1977-81 Government. One of the two recent polls showed 5 the Liberals increasing their vote to 21 from 17 per cent. but the other showed a practically unchanged result. After taking 51 months to agree a coalition programme, the present Government has achieved little in its first four

months in office. The Labour Party is opposed to large spending cuts but found even its own limited proposals for trimming welfare costs rejected by the unions. It has also become clear that an ambitious job creation programme announced by Mr Joop den Uyl, the Labour leader, will produce very few new jobs. The drawing-up of the spring budget, normally completed in March, has been delayed by several weeks. The three Government parties are split over the size of spending cuts. Meanwhile, unemployment conseasonally adjusted 452,500, or 10.1 per cent of the work-force, in January. The Government's budget deficit. which was more than 8 per cent of gross domestic product last year, threatens to increase, with disappointing levels of natural gas sales from than 9.50 people are

More than 9.5m people are entitled to vote in today's elec-tion for some 6,000 candidates

with the Greens, but what Herr

between the old trades union

based SPD and the new voters

for whom environmental and

Herr Eppler's as a dangerous game and have warned of 20

years of CDU-CSU darkness.

with Herr Franz Josef Strauss.

Strauss is just a horror-show."

doubts whether a CDU-CSU

government could survive even

Horr Eppler accepts, how-

ever, that a period of opposi-tion might be helpful to the

SPD perhaps sooner rather

than later. If the Government

does collapse this year, in part because of Herr Eppler's line, nobody "of the present leader-

ship will be regarded as indis-

leader, at the helm.

Herr Eppler replies.

four years.

redoubtable Bavarian

Many SPD colleagues regard

social issues are paramount.

contesting 705 seats.

#### 'Black Forest brooder' chips away at Bonn's arms policy BY JAMES BUCHAN IN BONN

proposal has three parts:

negotiations.

A social Democrat colleague

delivered in a soft and ironic

Herr Eppler as the harmless. U.S. Soviet talks in Geneva, rather unwordly figure he at currently in adjournment for a first suggests. A left-wing breather after four months of associate of Herr Willy Brandt, slow and deliberate fencing. he had never been an admirer of the present Chancellor and hardly keen on the new misresigned from his only minis- siles, and has more than once terial post soon after Herr querulously wondered to the Helmut Schmidt took over in U.S. why the Federal Republic, 1974. From his vantage point on the Left of the party, Herr Eppler is now directing a revolt against the Government's security policy—being aware that this could force the Chancellor to resign and plunge the Social Democrats into Opposi-

nuclear weapoury, of claims and counterclaims from Moscow and Washington, Herr

Soviet Union reach no agreement on the subject.

a country the size of Oregon, should have to bear such a

Herr Schmidt, the party's leader

Herr Eppler, who has been a it could carry the Congress for Herr Erhard Eppler, on the left wing of the ruling Social Democratic Party, is directing an internal revolt against the Government's decision to accept the majority of Europe's land-based missiles that, if successful, would bring about the resignation of

member of the Praesidium the twin-track decision, it is since 1973, voted against the badly rattled by the proposal of majority. Along with other a moratorium. Alcassal Dames left-wingers, in a group known half of the local Social Demoas the Frankfurt Circle, he is cratic parties have voted attempting to force a discussion against the Government in one of the topic at the party con- way or another. Herr Eppler gress in Munich in a month's says, with some justification, time. that he could certainly win a Herr Eppler would like to majority for a moratorium if see the re-armament element of ... the Chancellor had not staked

whelming Soviet superiority in the twin-track decision retheatre nuclear forces. This nounced by the party congress. issue.

by the installation of up to 300 achieving: this, "however," the the party leadership retorts, submarines capable of hitting

 A moratorium on all new intermediate range missiles for will be maintained. If it falls many is sick and tired of the the duration of the Geneva this is only likely to provoke • A commitment by the Soviet

Pershing-IIs, which could destroy Moscow from launching pads in the eastern sector of the Federal Republic. It is Washington that should be kept under pressure, and Moscow given some latitude; after all, is it Washington that is threat-ened by SS-20s? "Mine is not an ideological or moral stance, but a geographical attitude," he Herr Eppler is impatient with

the different sets of numbers of launchers or warheads emanating from Moscow and Washington. He inclines to the Soviet view that a rough equilibrium now exists if the French and British independent nuclear forces are taken

moratorium for both sides. This Moscow, its negotiators can Above all, he wants to send stall in Geneva and the Soviet the great powers a clear signal superiority in theatre forces from Munich that West Gerarms race. In this respect, he can count on the support of a growing peace movement, demonstration to coincide with President Reagan's visit to Bonn for the Nato summit

When charged with dis-

loyalty to his party, Herr Eppler tends to pose another question. With the strong likelihood that the Greens can achieve over 5 per cent in other regional elections this year, and the stronger probability that the Christian Democrat-Christian Social Union (CDU-CSU) will not fall below 44 per cent, where is there room for a left-of-centre majority?

pensable."

Nata talks, Page 4 There are several possible

There were angry exchanges

larly Sinn Fein, the Workers | Eppler has become a figure of

HERR ERHARD EPPLER is the very image of a modern ment's support for Nato's sopeacemonger: the beard is turning grey in places, the suit is December 1979, which proposes lumpy, the manner weary to a the modernisation of the

once described Herr Eppler, a Europe should the U.S. and the former chairman of the Baden-Wuerttemberg SPD, as the "brooder from the Black This entails West Germany, Forest." Now aged 55, and a Doctor of Philosophy, Herr Eppler retains the Socratic habit of establishing points by Europe's land-based Cruise missiles and 108 Rocking West Control of the Board of Socratic Cruise missiles and 108 Rocking West Control of the Board of Social Cruise Cruise Control of the Board of Cruise Control of the Board of the B a series of innocent questions, Few people, however, regard

In the shadowy world of

The issue is the Bonn Govern- triple-warhead SS-20 missile Left will propose instead a the pressure will be off targets in the Soviet Union. called "twin-track decision" of Alliance's intermediate-range ("theater") nuclear forces in

missiles and 108 Pershing-IIs. Their installation is set to begin from the end of next year if there is no progress in the U.S.-Soviet talks in Geneva, The Government itself is

Herr Schmidt's position, however, is that the threat of new U.S. missiles on West German soil must dangle over the Soviet leadership to strengthen their commitment to the Geneva talks and to reduce what he insists is an oversystems, of which 250 are seen installed since 1978. The Chancellor has threatened to resign if the Social Democratic party rejects the

twin-track decision, but he received a reprieve in January when the party executive Union to reduce its theatre agreed to delay a vote on the nuclear warheads to the 1978 new missiles until the autumn level. what could or could not be sides at the position of 1978. achieved at the Geneva talks.

of 1983. By the time, it was A permanent moratorium assumed, it would be clear freezing deployment on both While the Government feels

a painful debate that would Chancellor's prestige and the position of the U.S. in Geneva. Herr Eppler brushes these arguments aside. At the heart of his attitude is the sincere belief that the U.S. has no commitment to Geneva, that their chief concern is not for disarmament but for bases for

Says.

Eppler intends is a new form of Social Democracy that will remove the Greens' very raison d'êtrc. In a best-selling book published last year, and in recent conversations, Herr which has promised to stage a has made clear that he views his policies as the bridge

Herr Eppler is also the last person to need reminding of the Green protest movement's threat to the SPD position, for his own state of Baden-Wuerttemberg was the scene of one of the first Green successes. At the weekend, the Greens made strong gains at the SPD's expense in the regional elections of Lower Saxony and it is clear that the SPD's appeal to young voters has been badly impaired by its stand on such issues as the new missiles.

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that be

### **UAE** plans first-ever budget deficit and decline in spending

BY OUR FOREIGN STAFF

The United Arab Emirates will run a budget deficit this year 20m, according to reports by the Gulf news agency, based in Bahrain. This is understood production ceiling of 1m b/d. to be the first time since independence 10 years ago that the UAE has predicted a budget

The draft budget, which has to be presented for ratification to the federal National Council. anticipated a 15 per cent decline

in expenditure. vided no further details of the proposed budget, but observers pointed out that unlike Kuwait existing oil sales contracts.

'At the meeting of the Organisation of Petroleum Exporting Countries (Opec) in Vienna last week, the UAE agreed to an oil

This compares with production earlier this month of an estimated 1.25m b/d which was already below last year's average level. In 1976-77 the UAE was producing close to 2m b/d.

Apart from a generous aid The Gulf news agency pro- programme, the UAE has also faced exceptional demands from Iraq during the past 12 mouths. It is understood to have prothe UAE does not base its It is understood to have pro-budget calculations solely on vided at least \$4bn and can anticipated oil revenue from expect further requests during the coming months.

#### Egyptian envoy fails to solve border dispute

BY DAVID LENNON IN TEL AVIV

A SPECIAL envoy from Mr not wholly shared by Israeli Hosni Moubarak, the Egyptian officials, who said that the mes-President, failed during urgent sage Mr el-Baz brought to the talks with Mr Menahem Begin, Premier concentrated on rethe Israeli Prime Minister to assuring Israel that Egypt would resolve the dispute between the two countries over their international border, which is to be re-established when Israel completes its withdrawal from

aide, said after the two-hour meeting in Jerusalem, that the Prime Minister "was quite satis-fied from the talks and exchanges of messages that all outstanding issues will be solved in the immediate future."
His upbeat assessment was

preserve the ties and deepen the normalisation of relations between the two countries after the final withdrawal.

Reuter adds from Jerusalem Sinai next month. Violent Palestinian protests
However, Mr Osama el-Baz, subsided in the West Bank
President Mubarak's senior yesterday Disturbances were reported on the fifth and final day of the general strike, but the unrest was said to be on a smaller scale than that of the past few days, when two Arab youths were shot dead and at least 15 wounded in clashes with Israeli soldiers.

#### Iraq and Iran both claim major war victories

BY OUR FOREIGN STAFF

be continuing yesterday with guards had also been taken both sides claiming to have prisoner. scored messive victories.

had totally destroyed the Iranian 77th Division. A correshittered with the corpses of continuing, it said.

HEAVY FIGHTING between Iranian dead Many hundreds of Iraq and Iran was reported to Iranian troops and revolutionary

An Iranian military com-Iraq said it had launched a munique reported that over major counter-offensive in the 5,000 Iraqis had been killed in Shush area, west of Deziul, and the offensive, which it launched had totally destroyed the on Morday, another 7,000 had Iranian 77th Division. A corresbeen wounded and some 6,000 pondent for the Iraqi news taken prisoner. The counting of agency said the battlefield was the dead and wounded was still



Mr. K. A. Clark, T.D., F.R.I.C.S., Chanman

At the Annual General Meeting held on 23rd March, 1982, primistic Kenneth Clark, Chairman of Northern Rock ding Society reported a year of sound progress against a teground of increased competition for savings and

In his report Mr. Clark made the following points: Assets: Assets at 31st December, 1981 totalled more than £782 million which represented an increase of 15.07% on the previous

Liquid Funds: At the year end liquid funds were in excess of £155 million, representing 19.86% of total assets. Reserves: Reserves increased to over £29 million, equal to 3,79% of

Advances: The Society advanced a record £153 million to 14,662 families (also a record) to purchase or improve their own homes. Investments: Over 108,000 new savings and investment accounts were opened, the greatest figure achieved in any one year.

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#### **Pretoria** drops plan for coloured conscription

By J. D. F. Jones in Johannesburg THE South African Government has had second thoughts about extending military service to white women and to coloureds and Indians, but is going to step up the military obligations of all white adult men.

A Defence Act Amendment Bill, to be tabled in Parliament today no longer contains the provisions in the draft which led to immediate criticism.

The revised Bill keeps the two-year period of compulsory

national service for white males, but extends the "citizen force" follow-up training system in a way that is estimated to affect 800,000 men. However a military spokesman has said that not all those liable under the new system would necessarily be

called up.

The main change is that military training obligations after the initial two years of full-time service are to be increased from 240 to 720 days. After this, citizen force mem-bers will be transferred to active reserve for at least five years, and will afterwards serve in commando units until they are 60. All white males will be kept on a national reserve until they are 65.

<u>initiall</u>v South Africans initially responded to this dramatic tightening of military requirements by asking whether the Republic's security situation had deteriorated so gravely— or was expected by the Government to do so.

The explanation is that South Africa's defence chiefs have become increasingly conscious of the requirements for "local defence." As border infiltration continues, the burden of pro-tecting strategic installations has become more than the fulltime security forces can

#### S. Africans braced for tough budget

By Bernard Simon in

SOUTH AFRICANS braced themselves yesterday for a second round of tax increases in the 1982/83 budget, due to be presented by Mr Owen Horwood, the Finance Minister, to Parliament today.

Mr Horwood announced a 10 per cent import surcharge and an increase in sales tax from per cent to 5 per cent in a mini-budget" on February 11, price and dim prospects for exports have made a further rise in taxes unavoidable. "There are no soft options in framing the budget," Standard Bank said in its latest economic

Tax revenues from gold mines, by far the largest single taxpayers, are expected to fall to around R14bn (£748m) in 1982 (assuming an everage gold price of \$320 an ounce), from R2.1bn last year and R3.8bn at the height of the gold boom in 1980.

Platinum and mines' tax payments have also been eroded by the downturn in world mineral markets. Rustenburg Platinum, the world's largest producer of platinum group metals, announced earlier this week that tax provisions for the six months to the end of February were only a quarter of the R49.7m paid in the same period

last year.

Mr Horwood is expected to amounce higher-taxes on companies and individuals today (possibly in the form of a long-term, low-interest loan to the state), as well as additional duties on drink and tobacco.

The Budget will be tough in The Budget will be tough in other ways too. Even defence outlays, regarded as one of the "untouchable" components of recent South African budgets, are unlikely to vice as fact next are unlikely to rise as fast next year as the increase of over 30 year as the increase of over 30 per cent expected this year.
Instead of cushioning the expected sump in business activity over the next year, parts of the public sector are likely to contribute to the downturn. The overall increase in Government spending budgeted for 1982/83 is unlikely to be much higher than the present inflation rate of 14 to 15 per cent.

Mr Horwood has had to take account of unexpectedly severe pressures on South Africa's balance of payments, caused partly by the fall in gold and other mineral earnings, and partly by a very rapid increase in imports, which rose by 25 per cent in value last year.

The deficit on current account for 1982 is now projected at about the same level as last year's record R4.3bn, although fluctuations in the gold price could push the deficit higher or

The authorities have shored up the reserves by extensive foreign borrowing and the conversion of part of their gold holdings into foreign currency by means of gold "swaps." South Africa has begun draw-South Africa has begun drawing on its facilities with the
International Monetary Fund,
and is understood to be
negotiating further IMF credits.
But the authorities cannot
afford to rely on capital inflows,
particularly if the gold price remains weak

### Quit Kabul, India urges Russia

Afghanistan. The call, which policy, came in the annual

The report said that India seeks a settlement "through

negotiations among the parties concerned on the basis of concerned on the vasor of the confortably in the Kremlin. To non-alignment."

that do not suggest excipe a superference, and preserva. The Soviet Union is also men. The U.S. has been sharply provement is expected.

call yet for the Soviet Union sovereignty, territorial integrity superpower competition in the supply sophisticated arms to

can be taken as an attempt to of "foreign troops" remains a major naval base, the report and stability in the sub-conreassert India's non-alignment oblique, the "outside inter- adds: "The USSR, France and tinent." ference" is obviously intended Britain have stepped up their

INDIA has made its clearest tion of the independence, tioned where the report attacks attacked for its decision to While its call for the removal the island of Diego Garcia into

foreign ministry report circu-lated to Parliament yesterday. India's view, the U.S. has also The criticism of the The criticism of the Soviet contributed to the sustained Union is balanced by the regional and international tension over Afghanistan, but the "showed understanding of the forthright formulation of policy independent policy pursued by

to withdraw its troops from and non-aligned status of Indian Ocean. After pointing Pakistan. The report says wide-out that the U.S. has converted spread concern exists in India over the U.S. attitude to peace

Another area of disagreement with the U.S. was its decision to suspend further shipments of fuel for India's atomic power plant at Tarapur.

The relationship with Pakistan has been recorded in terms

### Fierce competition for India's third car

British and French companies for collaboration with Indian nationalised company of Maruti to manufacture a new car for the Indian market will end within a few weeks. By then, Maruti's board will have vetted various offers and select the collaborator for the initial production of 35,000 cars .a

Japan's Daihatsu and Nissan, France's Peugot and Renault and Britain's BL are all at the ready. There is plenty of competition because Maruti has withdrawn the original stipulation that the collaborator should undertake to export a substantial part of the cars manufactured in the plant set up by Sanjay Gandhi, the deceased son of the Prime Minister, in Haryana state..

Indians will now finally bave the choice of a third car. For more than three decades they have been limited to a choice of two obsolete models made by Hindusthan Motors (the Ambassador, based on a 20-year-old design by Morris of Oxford) and Automobiles Premier Automobiles (the Premier based on design of equal age by Fiat of Italy.) Cars are not allowed to be

THE SCRAMBLE by Japanese, imported for use by Indians and manufactured, far less than the so the two automobile com-panies have had a captive market for what are not only obsolete but extremely expensive models. Both the Ambassador and the Premier sell for more than Rs75,000 (about £4,500) and the standard saying about them-no longer a jokeis that every part of both cars makes a noise except the horn within a few months of

> The manufacture of Maruti will at last relieve the monotony of just two types of car on Indian roads. It is probably because of the coming competition that both Premier and Hindusthan Motors are also to change their own models. Premier has entered into an agreement with Fiat of Spain and Hindusthan Motors with Vauxhall of Britain for purchase of secondhand tools for models that will start to be manufactured in a couple of years.

For various reasons—the price of the cars and the cost of petrol and the obsolescence of the models—the Indian market for cars is miniscule for a country with a population of 685m. In 1980, only 30,538 Ambassadors and Premiers were industry.

peak production figure of 38,019 in 1977.

Low production levels notwithstanding, there are not en-ough buyers. Even so, production in 1982 is expected to be 48,500 and this will increase when the Maruti and the two new models by Premier and Hindusthan Motors come onto the market.

Car output is, however, the smallest element of the Indian automobile industry. In the last few years, manufacture of commercial vehicles, Jeeps, scooters, motor cycles and tractors has risen rapidly. There are more than 40 manufacturing plants and the number is growing, partly with the help of foreign collaborators but mostly due to local efforts. The industry is dominated by

the commercial vehicles sectors in which seven companies oper-ate. The dominant manufacturers are Tata Engineering and Locomotive Company (Telco) and Ashok Leyland, both of which export part of their production. The seven manufac-tured 68,311 commercial vehicles in 1980, accounting for 46 per cent of the total production value in the automobile

The focus is an scooters and mopeds, treated as family vehicles by Indians because of the cost of cars and fuel. A common sight in India is scooter driven by a man, his wife clutching a baby on the pillion, a child standing between the man and the child standing handlebars perched precariously on the luggage rack: a family of five

on a vehicle meant for two.

The scooter came originally from Italy, but it has rapidly been "Indianised." The Vespa is now made by Bajai Auto under its brand name of Bajaj and has markets in a number of countries in the world. The Lambretta factory was bought outright by the Indian govern-ment and set up in Lucknow.

The exception to the trend is Telco, which originally produced its trucks in collaboration with Mercedes Benz of West Germany but now makes and develops them under its own brand name. Telco plans to increase its installed capacity from 36,000 vehicles to 56,000 vehicles at cost of Rs 13bn, Telco's rival, Ashok Leyland, a subsidiary of BL, is to expand its present capacity of 13,000 trucks to 25,000.

#### New Delhi to borrow from ADB

By Our New Delhi

THE Asian Development Bank (ADB) has agreed in principle that India can borrow from it from next year. This clears the way for loans to India from the institution for the first time since it was founded in 1966. India's borrowings from the ADB will be sizable.

The amount will be worked out when the bank replenishes its capital resources, but the Indian Government would ideally like to get about \$400m a year, or about \$2bn (£1.1bn) in the next five years.

This will help India tide over the balance of payments crisis it now faces because of its large trade gap of more than Rs 55bn (£3.2bn) a year and the cut in loans from the World Bank and the industrialised countries.

The shortage of foreign exchange forced the country to take a three-year loan of \$5.8bn from the International Monetary Fund last year and the Indian Government is exploring other

sources of borrowing. India's external financing prodeveloping countries, has been

badly hit by the 50 per cent cut in the outlay of the World Bank's soft-loan programme because of the cut in U.S. contributions.

India has told the ADB. mainly to assuage the fears of its traditional beneficiaries such as Bangladesh and Sri Lanka, that it will not for the present borrow from the Asian Development Fund, the bank's soft-loan "window." All loans will be from the Ordinary Capital Resources (OCR) of the ADB. Nearly all ADB beneficiaries

their share of loans will go India has argued that the poorer Asian states will not be

affected.

in Asia have expressed fears

that if India starts borrowing,



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### Steady decline continues in U.S. inflation rate

tinued to decline steadily in 2.8 per cent over the past 12 average around 7 per cent. The the U.S. last month, according months. New car prices fell reason is that the sharp falls to the February consumer price by 0.8 per cent in February as in energy prices are masking a result of aggressive price continuing increases in other the Commerce Department. Prices increased by only the main manufacturers.

0.2 per cent after seasonal The 12-month rate of

there might actually be a price pared with 8.4 per cent in January increases, decrease in February as a January. Over the past three result of the sharp fall in oil months, the annualised rate of prices have been disappointed.

The main factor in the concent, compared with 4.8 per modity prices does suggest that

tinuing reduction in the infla- cent in the three months to of transport costs, which is heavily dependent on energy This fell by 0.7 per cent during February after a inflation. However, even optimimore realistic than had pre-0.2 per cent fall in January. stic forecasters expect inflation viously been suggested.

THE U.S. inflation rate con- Petrol prices have fallen by over the next 12 months to the main manufacturers. Indices for housing, clothing The 12-month rate of infla- and upkeep, entertainment and adjustment in February, the tion, comparing February's "other goods and services" all smallest increase since July prices with those of a year showed a slight acceleration in 1980. However, hopes that earlier, fell to 7.7 per cent, com- February compared with their

Nevertheless, the continuing the assumption of a 6.6 per cent average increase in the tion rate has been the index January. cent average increase in the of transport costs, which is The low inflation figures for consumer price index during the past few months understate 1982 contained in President true underlying rate of Reagan's budget may be much

### Reagan 'backs balanced budgets'

A CONSTITUTIONAL amendment requiring the federal ted the idea of such an amend-Government to maintain a ment during his election cam-balanced budget will almost paign and has since made clear be endorsed by President Reagan, a member of there are still misgivings with the Council of Economic in the Administration about the Council of

Advisers said yesterday. tying the Pres Mr William Niskanen said such an idea. be debated soon in Congress, will be publicly endorsed by the President "in the next couple of weeks."

his sympathy for the principle. tying the President publicly to

Treasury Secretary. The main opponent is Mr David Stock-man, the Budget Director. Mr Regan believes that presi-

Although Mr Reagan support dential support for the printed the idea of such an amend-ciple of a balanced budget in the future could sweeten the pill of very large deficits in the short term but Mr Stockman thinks that it would weaken his short-term bargaining power.

Although the amendment could well gain the requisite the amendment, which has been gaining support over the amendment in the Administration is support in the past five years and is likely to the support of the could well gain the requisite the amendment in the Administration is the past five years and is likely to the support of the could be supported in the past five years and is likely to the support of the could be supported in the past five years and is likely to the support of the could be supported in the past five years and is likely to the support of the could be supported by the support of th the being approved by the lemberats.

#### Nato to press for BY HUGH O'SHAUGHNESSY arms talks

By Reginald Dale in

defence Ministers yesterday began a two-day meeting of the alliance's nuclear planning group at which the U.S. was expected to come under pressure from its allies to move rapidly ahead with a new round of strategic arms

The Regan Administration deferred setting a day for the negotiations—which it wants to be known as START, strategic arms reduction talks—following the introduction of martial in Poland at the end of last-

Some of the European countries, however, feel that all tification of an improvement Herrera of Venezuela has possible steps must be taken to try to halt the arms race, regardless of the Polish crisis. Mr John Nott, Britain's Defence Secretary, shares the view that the talks should start soon, but sympathises with Washington's reluctance

There was some confusion in Washington last week over the Administration's plans, with the Defence Department saying the talks would begin this summer and the State Department countering that they would only start when the time

was ripe. Mr Nott also wanted to reassure his Nato colleagues over the Government's recent decision to buy the Trident 2 missile system, instead of the less powerful Trident I. to replace Britain's Polaris independent

The Defence Secretary feels that the nuclear planning group would be the right place to stress formally that the British decision implies no change of defence policy or

nuclear strategy.
Mr Nott was also ready, if asked, to give a progress report on plans to base a new generaon plans to was a new tion of U.S. ground-launched part of the alliance's plan to modernise its intermediate range nuclear forces.

#### Extreme Right takeover in Salvador feared

the Reagan Administration may country is taken over by rightwing extremists after the next Sunday's elections for a con-soliuent assembly and new provisional government.

the Administration will have to certify to Congress in late July that the position on human rights is improving before it receives Congressional permission to continue military aid to the Salvador Government. The extreme Right in El

Salvador, if it takes power, may not be very human rights to halt the Salvador war are conscious, and presidential cer- continuing. President Luis Administration has already been under fire for having certified wrongly in the opinion of many, that the human nights situation in El Salvador under the Duarte Administration and in Chile under the Pinochet regime has improved.

U.S. officials now see the possi-

U.S. officials are hinting that possibility. Since December when he launched his election be obliged to halt its military campaign, Major Roberto effort in El Salvador if that d'Aubuisson leader of the extreme Arena Party, has been bidding vigorously for power. Recent polls show that he may come second to President Duarte and his Christian Demo-The key consideration is that creatic Party in Sunday's elecrecent physical threats against President Duarte it is unlikely that the right-winger will co-operate in any coalition with the Christian Democrats to produce a viable provisional Government.

Meanwhile, peace initiatives announced that he has received a peace plan from the insurgents. The plan would involve the establishment of a broad-based government of Left and Right, and would include senior Church and business figures. It is expected to be unveiled by Dr Guillermo Manuel Ungo, leader of the civilian arm of bility of a consolidation of the left-wing insurgents at a night-wing rule in El Salvador meeting of the Socialist Interas a distinct, though unwelcome national in Bonn next week.

### Brazil GDP down 3.5%

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL'S per capita gross domestic product ien by the per cent last year, according duction" in investment to the latest Central Bank Adjusted for inflation, it was down by 10.1 per cent.

Domestic product ien by the per cent duction in investment to the latest Central Bank Adjusted for inflation, it was down by 10.1 per cent. domestic product fell by 5.8 measures taken by the Government to bring the inflation rate under control.

GDP before allowance is foreign capital invested in made for population growth, Brazil stood at \$19.25bn declined by 3.5 per cent, (£10.7bn).

according to the annual report The extent to which the reof the Central Bank and reached cruzeiros 26,440bn (£100.8bn) at the end of year exchange rate. Per capita reached income was the equivalent of

The Central Bank says there was a "significant real re-duction" in investment. vestment measured in current dollar values rose by 15.5 per cent. Last December, total

The extent to which the recession hit manufacturing industry is also confirmed by the figures. Consumer goods production showed a decline of

#### Indonesia orders **British** buses

By Kenneth Gooding, Motor Industry Correspondent

INDONESIA has ordered double-decker buses worth £20m from Britain.

Legiand, the BL subsidiary, and Volvo Trucks (Great Britain), part of the Swedish group, will each supply 180

The vehicles will go to pro-vincial cities throughout the republic and be the first doubledeckers seen outside Djakarta. They are part of a new transport system to increase urban mobility as part of the industrialisation process.

Leyland's Lancashire factories will supply engines, gearboxes, axles and other ponents for assembly in Djakarta, while body kits will be provided by Duple Metsec of Warley in the West Midlands. The Atlantean bus kits will be delivered by the end of this year and will join 130 other Leyland vehicles already in service in Java.

Velce will graphly most of the

Volvo will supply most of the mechanical parts for its Ailsa double-deckers from its factory at Irvine in Scotland. Only the engines will originate in Sweden.

Waker Alexander of Falkirk will provide the body kits.
Volvo says it is the largest single order its British factory

#### Plessey in joint U.S. sonar deal

By Nick Gamest, Northern

PLESSEY MARINE, in conjunction with General Electric of the U.S., has won a contract to develop a new mine-hunting sonar **sys**tem for the U.S. Government.

The two companies, which have been working together for about a year, won the contract in competition with foreign manufacturerș.

They had been working inde-pendently on a mine-hunting system, but decided that formation of a joint team would be the best method of securing the

### Japan to counter EEC action

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

yesterday shrugged off the seems likely, Gatt signatories. Although the EEC is in-EEC's decision to start action will appoint an independent creasingly perturbed about its against its importing policy panel to adjudicate on the trade deficit with Japan—now under Article 23 of the General dispute. put at \$15bn (£8.36n) a year Agreement on Tariffs and Trade (Gatt).

THE JAPANESE Government If the talks break down, as than sinning.

Mr Shintaro Abe, the minister for International Trade and Industry, said in Tokyo that Issue of what it calls "Japan's restrictive import policy than Japan had no objection to the EEC move. Japan, indeed, would be ready to point out the EEC's own discriminatory measures against Japanese EEC move after it knew products, of which 32 are exactly what it was required to agricultural, but points out that the exactly what it was required to agricultural, but points out that the exactly what it was required to agricultural, but points out that the effect maintains 89 global import quotas. It has charged Mr Shintaro Abe, the Minis- benefit from trade liberalisation

The EEC decided on Monday to start formal talks with Japan under the banner of the Gatt disputes settlement procedure.

has not received adequate

ments suggested that Japan would adopt within the Gatt the general line of argument

The EEC will charge that it the Japanese argument, con-sistently pushed forward, is that the EEC operates a more

import quotas. It has charged that the EEC has in place discriminatory import quotas that it is more sinned against against 57 Japanese products.

The Tokyo Government also Although the EEC is in maintains that its average tariff rate, taking into account the results of the round of multilateral trade negotiations and rising—the general line of during the 1970s, is 3 per cent, against an EEC average of 5

> But average tariff rates are not an indication of tensions. The problems arise in the departures from the norm, Thus, in the UK, the Cocua Chocolate and Confectionery Alliance, and the Cake and Biscuit Alliance comment harshly on the Japanese tariff rates for their products, rang-

### Australia hopeful for coal exports boost

A Ministry survey concludes Mr Anthony said in talks with that by the mid-1990s. Malaysia, Malaysian leaders that he under-

not decided whether to switch

the Philippines and Thailand stood Malaysia was looking to could be importing as much as Australia as a coal supplier.

Malaysia is also building two giants sponge iron plants by 1986, and needs to import 2m supplied by Australia.

AUSTRALIA SEES bright prospects of exporting large volumes of coal as they power station at Klang is to be switch from oil as energy.

In the mid-1930s, Mr Doug Anthony, Australia's Trade Minister, said in Kuala Lumpur Asean country. Singapore, had need another in tonies if they not decided whether to switch from the switch from the local section.

Malaysia's first coal-fired power station at Klang is to be of resources, Mr Anthony said power station at Klang is to be of resources, Mr Anthon

Two-way trade fast year was US\$ 670m (£392m), with Austonnes of ore annually, to be tralla enjoying a surplus of

### Further delay likely for video disc system

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

last October and was then rescheduled for April this year, recorders. s likely to be postponed again. JVC declined to confirm The reason for postponement definitely yesterday that it had is likely to be postponed again.

is that the sales of the competing video disc systems deve-loped by RCA and Philips in both the U.S. and Japan have so far been extremely disthat this was being considered appointing. This is attributed to poor economic conditions in reached soon. both countries.

Another problem seems to be more versatile video tape recording machines (VTRs) in which Japan has a virtual monopoly.

The VHD disc system was

THE MARKETING of Japan's Company (JVC), an affiliate of the likely demand for VHD in system—at least in its early VHD video disc system, which Matsushita Electric, which also Japan's domestic market has stages—expects to release 100 was originally supposed to start pioneered the highly successful been the sales performance of titles by the time the recording VHS system for video tape

> decided to postpone release of the system beyond the April deadline. However, a spokesman for Matsushita indicated and that a decision might be The dozen or so Japanese

electronics manufacturers that the impact on the potential have signed agreements either demand for video discs of the to use Victor's technology or to market VHD sets supplied to them by Victor on an OEM basis appear to have little hope that the system will actually go on sale in April.

month of its system, but actual demand has been running at barely half this level. An export version of the Pioneer video disc, which was released in the U.S. in June 1980, has

Japanese version of the

Philips laser-vision system marketed in Japan since last

Pioneer originally expected

to sell about 5,000 units a

autumn by Pioneer.

so far sold a mere 3,000 units. Pioneer claims that a limited at present. choice of "software" is one the extremely modest level of demand for its gramme titles.

One depressing pointer to source of software for the VHD ing

equipment goes on sale. VHD equipment under licence from JVC will be dependent on JVC software and so cannot go

gives the lead. One top Japanese electronics manufacturer, Sanyo Electric, plans eventually to market all equipment, but is marking time

abead with their own market-

Sanyo's version of the RCA system (the cheapest of the 'three' went on sale in the U.S. video disc equipment. It has last November, but the com-so far released 160 film or pro- pany says it is now "taking a pany says it is now "taking a rest" following initial sales JVC, which will be the sole that were less than encourag-

Michael Holman, recently in Nairobi, assesses the effects of French credit offers

### UK faces challenge over Kenyan projects

LORD CARRINGTON'S public Mehta group; Booker Agricul-message in Nairobi had a touch ture, in conjunction with of the stiff upper lip; British Fletcher and Stewart of Derby; competition," the Foreign Secre- Mowlem, tary told Kenyans during a Secrelunch in his honour earlier this month, " provided that they are allowed to compete on equal

terms." It was an oblique reference to the tactics of challengers in what has traditionally been Britain's most rewarding export

market in East Africa. Kenya has become another test case in the competition for exports between industrialised nations, who offer a mixture of aid and trade credit-soft and hard credit terms — to win orders in an increasingly cashstarved market.

French companies in particular are making inroads into Britain's dominance through their Government's provision of concessional loans tied largely to the purchase of French goods. At stake in the battle for Kenyan business are three contracts worth more than £100m, a swell as longer term prospective telecommunication, railway and cement contracts worth more than £250m.

The immediate competition concerns:

. The Busia sugar project, 27.2 per cent and capital goods | worth some £60m. Msin con-18.7 per cent | tenders are the Kenya-based

companies are not afraid of and Tate and Lyle, with

 Seventy-four passenger coaches for Kenya railways, worth some £23m. with further orders for 400 container cars (£14m£15m) and third-class carriages (£15m£16m) expected. BRE-Metro, British Rail's marketing arm, is the principal British contender.

Container facilities and port equipment at Mombasa, including tugs and oranes, worth some £26m-£27m.

There are further substantial contracts in the offing, though not yet put out to tender. The proposed Kerio Valley Railway is an ambitious scheme to open up northwestern Kenya and provide southern Sudan with an outlet. It would cos: about

A third cement works is the next two months tender men describe as ever documents for telecommunications projects will be based on their Government's released. They include digital willingness to offer soft credit, switching for Kenya Posts and France and Kenya have signed the next two months tender men switching for Kenya Posts and France and Kenya have signed Telecommunications. which two protocols so far—one in would be worth about £25m. 1979, worth FFr 150m so on."

Main UK contenders for this (£13.3m), and one in January contract are expected to be 1981 worth FFr 234m—with a Plessey, facing competition further FFr 50m provided last from Thomson CSF of France and Kenya have signed existing and new equipment. While in Kenya Lord Carringston to told his hosts that recovery burning his stay in Kenya. During his stay in Kenya burny road, but I believe we contract are expected to be 1981 worth FFr 234m—with a Plessey, facing competition further FFr 50m provided last from Thomson CSF of France August.

Trench officials in Nairobi Britain was also donor—around £27m in the past financial year.

French officials in Nairobi Britain was also he rejected. and Hitachi of Japan. French officials in Nairobi Surrounding all these con- say that a further protocol will



Lord Carrington

under consideration, while in tracts is what British business-

be signed this year which will out. Kenya's largest trading "much bigger than the last partner. UK exports to Kenya one." They also say that the were worth £174m in 1980. This facility will now be provided represented 17 per cent of the annually. It is a mix of soft and hard

terms—the former at between 3.5 per cent to 4.5 per cent interest over 25-35 years-French officials will give no more details.

French diplomat A French diplomat acknowledges the frosty reaction from the British Government, and puts, it down to historical antagonism: "We have the ashes of Joan of Arc between us," he says with a smile.

It is a familiar picture of payments deficit and an

market, compared to 23 per cent British officials in Nairobi estimate that trade fell as much as 40 per cent last year. This mainly reflected Kenyan measures to restrict imports,

but also illustrated the encroachment of competitors— Japan. West Germany, the U.S. and France, Britain, of course, offers

incentives of its own. In the three contracts under com-petition, the Busia project, supply of railway coaches and throughout Africa. Kenya, like Mombasa port facilities-there most countries on the con-would be a substantial aid con-tinent, has a serious balance ponent if they were to go to British companies. Each would acute foreign exchange prob-lem. Meanwhile, competition the Aid for Trade Provision among industrialised states for (ATP), a government fund the markets abroad intensifies, which helps UK exporters comthe markets abroad intensifies,
"Soft credit facilities are
very tempting," says one
Kenyan official, "even though
there could be long-term costs
—such as compatability of
purpose served, and all three
projects qualify.

the past financial year.

Britain was also, he pointed Toyota truck."

### Argentina's economic problems raise hopes for return to civilian rule

BY JIMMY BURNS IN BUENOS AFRES

ARGENTINA'S military junta tributed to the growing confi- lems which have caused the headed by President Leopoldo dence of the outlawed political military regime's unpopularity. Galtieri, is expected to mark parties and the historically the sixth anniversary of the powerful trade unions which country's military takeover were severely disrupted by the six years has not been good. Last today with a pledge that the coup in 1976. Faced with a year Argentina's inflation

The removal of President Roberto Viola by General orchestrated palace coup three months ago prompted specu- military solution to the political lation of a return to right-wing authoritarianism under miltary protection. Gen Galtieri's reputation ,in particular, had placed him in the forefront of the fight against left-wing guerillas and as an opponent of open dialogue with political parties.

There is growing pressure for a return to civilian rule, however, and the prestige of the armed forces has their exploits. diminished. Last June the With the grad country's bishops, a traditionally highly conservative faction. the miltary itself relvsed divi-Admiral Emilio Massera, a firmed has at last emerged as licity conscious event was held former Junta member, and one of the country's most sensi-General Juen Carlos Ongania, a tive political issues. former president, that the

armed forces are firmly widening opposition, the was one of the world's highest embarked on the road to military have found it increas- at 131.3 per cent its Gross democracy.

In the was one of the world's highest embarked on the road to military have found it increas- at 131.3 per cent its Gross democracy.

Domestic Product fell by 6.1 ing in power. in a carefully support of many Argentines who were prepared to accept a

> the country. By the end of 1978 urban was virtually terrorism liquidated. Today, most army officers have a disarming habit in private of reminiscing about their "victory" in the manner. of war heroes, and have even inaugurated a Museum of Subversion as a memorial to

role of the death squads, many ended their acquiescence with Argentines look at the past of the armed forces as a privi-the regime by calling for a with suspicion, if not with a leged class and has taken the return to the rule of law and deep sense of shame. That the lead by declaring publicly the democracy. At the same time, whereabouts of over 6,000 value of his material possespeople who have disappeared sions: \$180,000. sions with declaration by have yet to be officially con-

If human rights has become regime had lost all popular support.

Such defections have conthe underlying economic probthe underlying economic probsuch defections have conthe underlying economic probsuch defections have con-

On balance, the military economic record over the last per cent, the sharpest decline Initially the coup had the for over 20 years, and its currency, held at an artificially overvalued rate since 1976, collapsed against the dollar.

The Galtieri Government has and economic chaos submerging moved fast to try to pick up the pieces of the "Process of National Reorganisation." The President himself has gone out of his way to dispel whatever preconceptions might have surrounded him. In striking contrast to the retiring and unapproachable natures of his two predecessors. Generals Viola and Videla, the new president has donned civilian clothes and gone With the gradual relaxation of on frequent public walkabouts censorship and the diminishing around the country. He has tried hard to dispel the image Undoubtedly the most pub

last month when the Presidency

laid on a free barbecue for over

10,000 people in the middle of

**Real GDP** Inflation 3002

people that attended. would be cut by 10 per cent, and that the salaries of military made much of the announce officers, from junta members to people that attended.

74 76 78 80 82 1976 '77 '78 '79 '80 '81 '82 1976 '77 '78 '79 '80 '81

**Argentine Peso** 

100

that military spending lower ranks, would be kept in

tated for the public sector. claims as company directors,

Indeed, a great many military officers have already been replaced by civilians at the head of state companies as a result of Galtieri's reforms. The state hydrocarbons monopoly Yacimientos Petroliferos Fiscales (YPF), and the public telephone company ENTEL, are among the main companies which have been affected.

Galtieri has also taken a significant initiative on human rights announcing that the authorities are preparing a provi-sional list of those who have disappeared and will soon talk directly with the families of the victims. Quite apart from the more visible examples of the liberalisation such as the re-laxation of censorship on the bookstalls and in the cininea, the Government has let it be known that it is close to drawing up the long-awaited statute for political parties.

This statute is expected to restrict political activity to the four main political parties that can gather a minimum number of members. Although it will proscribe any groups with Marxist tendencies. The result will probably be a major realignment of political forces with the emergence of a civil-military party along Brazilian lines at the expense of the

line with the wage freeze dic- Peronists and the radicals, the Despite agreement on defence two major traditional parties.

The old bastion of Peropism, the General Confederation of Labour (CGT) has announced that it will step up its demonstrations against the Govern-ment and will hold a mass meeting in front of the Presidential palace in May Square on March 30, the historic setting of General Peron's mass rallies. Meanwhile, every day the newspapers record the latest protests against the regime from opposition party leaders.

Sr Roberto Alemann, the Economy Minister, has stirred public criticism of the regime by the pursuit of his economic policies. Applying strict ortho-cox principles Alemann has set about his fight against inflation with tight credit restrictions, a wage freeze, the preparation of a tough austerity budget and a major attempt to return the public sector to private hands.

Alemann's nationalisation plans are still at the drawing board stage, although apparently on

cuts, the armed forces have yet to be moved on tentative the military-controlled industrial complex of Fabricaciones Militares. The Navy, which heads the Atomic Commission, is holding out against cuts in the ambitious nuclear spending programme.

Argentine economic policy is at the transition stage but, as government ministers admit privately, it is still far from generating the necessary confidence. The country is in 2 deep recession and a run on the peso earlier this month indicated that speculation is far from ended.

Sr Alemann was born in Switzerland and has an open. practical, and essentially honest approach to life, but he is moving in a highly complex political world where vested interests remain deeply entrenched. For the moment he appears to have taken comfort in the fact that After 100 days in office Sr President Galtieri is proving 2 more resolute character than his predecessor and that the junts remains bent on creating

schedule to meet the target the institutional arrangements that of April 23 set by President Galtieri.

The 1982 budget has yet to be finally approved. Sr Alemann's ability to persuade the military to go along with his austerity package will be crucial to the success of his programme; junts remains bent on creating the institutional arrangements and a strong economy.

boost

System

# How Can We Cooperate For a Freer World Japan's Efforts

Mr. Naohiro Amaya is Special Adviser to the Minister of International Trade and Industry in Japan, long experienced in trade negotiations with Europe and America.

Dick Wilson, the freelance journalist and former Editor of Far Eastern Economic Review, interviewed him on the current stresses and strains in trade relations with Japan.



Special Adviser to the Minister of International Trade and Industry, Mr. Nachiro Amaya (left) interviewed by Dick Wilson

Three pillars of the free world

Wilson: What is your assessment of Western Europe's current economic

Amaya: Not only the Western European, but also the American and Japanese economies are sick. Wilson: Why?

Amaya: I would give three causes of the disease. One is the dislocation of resources caused by the astronomical rise in oil prices. The second is what I could call the shrinking of economic frontiers. After the war we had a tremendous pent-up demand for goods, and also the dissemination of new techpology from the US. These opened up great new frontiers for everybody. But today they are shrinking.

Wilson: I suppose it has become a smaller world, in that way. What is your third diagnosis?

Amaya: The sad decline of the cooperative spirit in Europe and the US. Of course man is homo economicus, but for an economy to be healthy there must be a balance between cooperativeness and egotism, in people as well as in companies or nations, I believe that companies in Japan preserve this community spirit healthily enough, but in Europe and America it seems to be diminishing.

Wilson: You mean pulling together within a company instead of striking? Amaya: Yes. I have just been to visit President Kennedy's tomb at Arlington Cemetery in Washington, and you know what is quoted there: Ask not what your country can do for you, ask what you can do for your country. This applies to industrial firms too. To facilitate efficient and profitable production, workers should think what they can do for the company, while the company should think what it can do for the

Wilson: That sounds like something which will take a lot of mending. Meanwhile we have at this moment an upsurge of protectionist feeling in Europe which is particularly felt by Japan. What do you feel about that?

> Avoid becoming a protection addict

Amaya: We are very concerned indeed. If you have a tummy ache or a headache it is all too easy to reach out for some drug, to ease the pain - but then you get addicted. Similarly with a country, it can become a protection addict and that will provoke a chain

Wilson: So what can you do about it? Amaya: We are all in a very difficult situation, and our economies are highly interdependent. We have to understand each other's problems and co-operate. We recognise, for example, that European industries such as cars, TV's machine tools and steel are in the painful process of restructuring. Japanese industries are being prudent about their exports in order to make progress in these efforts.

Wilson: These are the industries which have complained of Japan's "laserbeam" export campaigns threatening their survival.

Amaya: Those complaints led us to advise industries to be prudent about their exports. It shows that we are not deaf to the protestations of European producers.

> Encourage you to sell more in Japan

Wilson: The other big grumble is over European access to the Japanese market.

Amaya: You claim that our market is closed. We disagree. It is true that like our trade partners we have some barriers, but you must admit that we are reducing them. We recently advanced by about two years the schedule of tariff reductions agreed in the Tokyo Round of trade negotiations. We have

taken on board foreign complaints about customs inspection procedures and are abolishing or simplifying 67 of

We have set up an Office of Trade Ombudsman to resolve expeditiously the difficulties encountered by European exporters. We must, of course go further in reviewing the residual import barriers.

Wilson: Will all this significantly raise European exports?

Amaya: It will, if European salesmen try hard enough. A hundred years ago Japan while sitting comfortably in their offices. We Japanese had to come London or Paris to buy or sell, but until quite recently European exporters never went to Japan and knew very little about the Japanese market.

Japanese businessmen, by contrast, learned a lot about the European markets. So there is a huge imbalance of knowledge and information in our favour. As Francis Bacon said, "knowledge is power", such lack in power appears to be the biggest single obstacle to your penetrating the Japanese market.

Wilson: In that case it may take some time to change for the better. Do you regard this trade imbalance between Japan and Europe as structural, likely to persist?

Amaya: You have big deficits with the US and some developing countries, while the EC has big surpluses with Switzerland and Austria. In a sense that is structural. It is impossible for us all to balance our trade bilaterally with one another all the time.

From about 1868 to about 1935 Japan had chronic trade deficits with the UK and Germany. In the first couple of postwar decades there was a balance, and only in the past decade or so have we gone into chronic surplus with you. In theory it is the overall balance of payments, the multilateral outcome, that matters. But in practice people do

worry about their bilateral trade balances and so we must encourage you to sell more in our market—while you do more homework, too.

> Industrial cooperation will help revitalize our economies.

Wilson: Are you doing anything else to keep free trade alive in these dark days of recession?

Amaya: Oh yes. One sector in which European industry is lagging behind is the semiconductor and computer side of electronics, where Japan is currently doing relatively well. We believe that cooperation agreements between Japanese and European companies will help revitalize the European economies. We are good at production technology, whereas the British excel in invention and developing new ideas. It should be a good exchange.

Wilson: Will Japanese investment in Europe grow strongly in the next few

Amaya: In sectors where we have a comparative advantage, like electronics, it should. The Japanese government certainly encourages Japanese firms to invest in Europe or exchange technology there.

Vilson: But the conditions imposed by European governments on Japanese direct investment can be severe? On component procurement, for instance?

Amaya: That is true, and we also find that our investment in one country is not always welcomed in another ECmember country. There is one more point I would like to make about the trade imbalance. Nowadays about half of the work force in countries like ours are in service industries, so trade in services—the so-called invisible account-really is important. And here the balance is in your favour. You should really take that into account when you worry about the imbalance in trade in goods with Japan.

In cooperation with the Office of Trade Ombudsman, we at Jetro are ready to help-in any way we can. For information or assistance, telephone or write to Export to Japan Desk at one-of-these offices....



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Financial Times Monday March 22 1982

### Closures pact in high alloy castings

or extensive rationalisation in likely because of the chronic he high alloy sector of the UK overcapacity in the industry. teel castings industry.

ary closure scheme, put forvard by Lazard Brothers, the aerchant bank, five of the 16' ompanies in the sector will ease production. The remainder fill pay a levy over a five-year eriod towards closure costs.
Companies participating in

he scheme represent 95 per ent of total UK open market roduction. Those which have elected to close account for 22 er cent of more than 5,000 onnes of high alloy production

Companies deciding to remain n production will pay an annual evy to those closing for five rears, with the larger payments leferred until the later years, and supplemented by the grants nade available, by the Depart-

The closures are expected to nean 400 redundancies from a otal sector workforce of 1,500. The NEDO Foundries Economic Jevelopment Committee, which akes in employers, trade unions whether the group will particited : Government, has accepted pate after all.

GREEMENT has been reached that substantial job losses are

Compensation will be paid in Under the terms of the volun-ary closure scheme, put for-deciding to close. They will receive an immediate lump-sum payment as a contribution to closure costs, followed by single. smaller payments in instalments paid after 45 months, 51 months and 57 months.

> Lazards said yesterday that it is pursuing the possibility of similar schemes for the other sectors of the industry.

The merchant bank also hopes that its rationalisation plan for the general castings sector producing some 135,000 tonnes annually — can be revived. These proposals appeared to

have been quashed earlier this year when it was announced that the largest company in the sector, F. H. Lloyd Holdings, had decided not to participate. However, Lazards understands that Mr Lewis Robertson, Lloyd's new chairman, is reviewing the group's decision. He is expected to decide within weeks

#### COMPANIES PARTICIPATING IN THE RATIONALISATION

HOLDING COMPANY LOCATION FOUNDRY **APY Holdings** Crawley APV Paramount Ltd. Low & Bonar Bonar Westeroft Castings British Steel Corporation Wewramet Holdings G)asgow Dewramet Limited Sheffield La Bour Pumps Darwins Alloy Castings Lake & Elliot Braintree Lake & Elliot Founders & Leven, Fife Lake & Elliot The National Steel Foundr Nicholson Shell Moulding Wrexham Nicholson Shell Mouldings The Weir Group Catton & Co. Leeds The Weir Group . . Sheffield Holbgook Precision Casting The Weir Group E. Jopling & Sons Spencer & Halstead onas Wells Keighley inas Carling and Co.

Wellman Alloys to make high alloy steel static castings but will continue to make certain other castings.

epbridge Alloy Castings

Bonan Langley Alloys\*

### Oil industry moves to put up petrol prices

BY SUE CAMERON AND RAY DAFTER

ollows a Shell intiative is osses on refining and market return on petrol sales. timed at reducing the industry's mg eperations. One major oil supplier—Texaco—warned that

British Petroleum said its BP and National brand petrol would cost more from midnight test night. BP Oil, the UK refinsaid it could "no longer sustain

Losses on its petrol business had been running at £5m a month—the amount it had been paying dealers in support of lowered pump prices. From Texaco—ranked fourth in the today BP Oil is reducing its petrol retailing league table price support by £3,5m a month

be London

approval.

further two years.

ip pump prices in many towns rise from 155p a gallon to 160p for four star petrol of £1.60 a and cities by about 5p a gallon. as a result of its decision. It gallon.

The widespread move, which rise further before it would be average increase of about 5p a gallon.

Over the last five months supplier—Texaco warned that pump prices had dropped by prices at some stations could about 25p a gallon, BP said. ise by substantially more than This fall had been considerably more than the percentage drop in crude oil rates.

Esso, another market leader with about 3,000 outlets, said. last night that it would also be reducing its dealer support as market conditions allowed. the heavy losses on petrol Amoco. Conoco (Jet and Globe brands) and Elf are among companies adjusting dealer support in an effort to raise prices by about 5p a

National - said that from mid-decision by members of the 0.9p a gallon cheaper.

CHE OIL industry is making a BP said it hoped the average night last night it was reducing Organisation of Petroleum Exponented effort to reduce its price of four star petrol in its selective subsidies in an porting Countries to reduce subsidies to dealers and push some towns and cities would attempt to create a floor price

Thomas Carling and Co.

The Weilman Engineering

Corporation

rise further before it would be average increase of about 5p a able to make a "reasonable gallon in urban stations although in some areas of particularly intense forecourt competition the increase might be as much as 10p a gation. Even with accountion in sub-

sidies, Texaco expects to continue losing money on its petrol operations. Texaco said it had heen making "heavy losses" on petrol sales.

lead set by Shell on Monday when it announced it was cutting a third of its £3m-a-week dealer support in an attempt to force up pump prices by 5p a

But there is still a lot of Texaco-ranked fourth in the ability to make the new price rises stick. The world oil sur-

crude parauction has so far had little implet on the spot market prices of either oil or petrol.

The main reasons for the current period price war have been the all glut and the activities of smaller, independent companies buying cheap petrol on the international spot market. Although petrol is becoming

ducts sold to commercial and industrial customers are being made cheaper. A number of companies among them Texaco, Elf and Amoco - said they were following the indus-try move to lower prices by a gallon. Similar price cuts have already been announced by Shell. Esso and Phillips.

Texaco said that from mid night last night the prices of uncertainty about the industry's petrol, Derv and gas oil were ability to make the new price being cut by 2p a gallon, kernsene would cost in a gallon plus continues and last week's less, and fuel oil would become

### Newman to | Pliatzky leaves ACC board

BY JOHN MOORE CITY CORRESPONDENT

police chief departures from the Boardroom of Associated Communications THE APPOINTMENT of Sir Corporation. Sir Leo offered Kenneth Newman, former Chiefhis own resignation within 24 Constable of the Royal Ulster hours of that of Lord Matthews. Constabulary, as Metropolitan Commissioner of Police from The two had sought to vote Mr Robert Holmes à Court, the October, was officially announced by the Home Office Australian entrepreneur, out of the chairmanship of ACC, the troubled entertainments empire yesterday following the Queen's

Sir David McNee announced his intention to retire from the £33.170 a year job last week. disclosing that he man been to four.

asked last year by Mr William to four.

Sir Leo said yesterday: "I have disclosing that he had been

Conference

value stands

out a mile in

London

been contemplating resignation for a long time. I have remained

SIR LEO PLIATZKY a former on the Board out of considera- entertainments group top civil servant, yesterday added his name to the list of tion for the interests of share- company making the takeover holders and at the expense of bid has prompted the ACC my personal self-interest board to seek other non-The point has been reached executive directors.

longer prepared to be associated with it. He received £5,000 a year as a non-executive director but that the Department of Trade remains a director, at £3,500 a had decided to inquire into the year, of Central Independent affairs of ACC, the Department which the Australian is seeking

Television, in which ACC has a said it had no formal request to take over.

Sir Leo and Lord Matthews, with two other directors, failed

51 per cent interest.

The flood of departures from Pliatzky is understood to have ACC over the question of sought occasional informal legal

shareholders any more. I am no

possible conflicts of interest of advice from the Department Mr Robert Holmes à Court as but no investigation has been

at which I do not usefully serve

At least two more independent non-executive directors will be appointed soon.

Amid speculation yesterday chairman of both Lord Grade's requested.

#### FT links with Predicast for computer service

THE Financial Times is setting tion, reducing to three or four up a voint venture with Predidays. The minimum time gap cast to provide information is 48 hours because of the FT's database. The move follows the

Predicast, taken over last Newsbase, set up 14 months year by Information Technology ago, closed because it was fall-Group, was set up in the U.S. ing considerably short of modest years ago. Since the early 1970s the

im records of information of Finsbury Data Services. up to 400 words culled from the international business Press. database, including the FT

databases in the U.S.

abstracts, although the FT ing of telexes, and automatic retains a say in editorial ticket reservation. quality. By August, information on the database will appear been set up to hear appeals

from the paper on a computer syndication commitments. An abstract will cost about 50p and recent closure of the FT's the computer time is rated at Newsbase computer service. \$90 (£50.28) an hour.

as an abstraction service 20 revenue targets. Eight full-time staff have been made redundant. Predicast was one of two main service has become available competitors to Newsbase. The on computer databases. It has other was Textline, offered by

Later this year the Predicast In Europe, customers can information, will be available dial a telephone number at one on Prestel through a "gateway."
of the major centres in their The service will be marketed country and will be linked to by the FT's subsidiary Fintel, the database in Switzerland via 

The Department of Industry Euronet. In a year, up to has announced details on the 40,000 articles from the FT will lecensing of value added serbe added to the database - vices, which will compete with either in whole if they are British Telecom. From April I short, such as contracts or companies will be able to apply appointments, or in the form to the department for licences of abstracts. Predicast has two o.offer services such as personal telephone messages, answering Predicast will prepare the services, storing and forward-

An independent panel has about one week after publica- from unsuccessful applicants.

#### Gilts move angers insurance companies By John Moore, City

Bolton

Langley

Stourbridge

Sutton-in-Ashfield

THE Stock Exchange ruling council met yesterday to consider modifications to its increases made by stockbrokers in the gilt-edged market. A statement is expected today.

Although the proposed increases have drawn a hostile reaction from insurance companies which invest funds in the stockmarket, it is not thought that the changes proposed by the council are likely to meet the criticisms.

The Investment Protection the few countries in the West Committee of the British Insurance Association has told the Stock Exchange: "Gilt commission scales are too high and a substantial reduction is fully justified." without a loan scheme. Sir Keith said he was preparing a study to take to his colleagues on a system which would be part traditional grant and part student loan.

The insurance companies have said that "no case has been made out for the pro-He told the conference he did not believe the only key to good education was money from the taxpayer. What mattered above all was the posed scale increases, except possibly on small bargains; and rises of 20.8 per cent (on medium-dated gilts) or 7.5 per motivation of the pupil and cent (on long-dated gilts) on deals of £100,000 are not the effectiveness of the justified by any of the criteria adopted in a Stock Exchange review of the com-Consumer choice

The great force in edumission structure. Gilt commissions should be cation, as in economics, was consumer choice. Through the assisted places scheme duced substantially, said, the insurance companies. Some adjustment is to be and other measures, the made to the scales but no Government had attempted to increase this choice. But it might have to consider radical change is planned by the Stock Exchange Last week the Stock Exchange whether there were other made a concession in answer ways in which the Governto protests from large users ments could increase the

of its equity market. Increases, which would have given stockbroking members an extra 7.3 per cent in commissions, were scaled down to an across the hoard increase of 4.2 per cent.

Government gives £26.4m in urban aid GOVERNMENT AID of \$26.4m for projects in urban areas, including small factory units and nursery schools, was announced yesterday hy Lord Beilwin, Parliamentary Under Secretary at the Environment Department.

The funding, part of the Government's Urban Pro-gramme shows a 49 per cent increase over last year. Projects included in yester-

day's allocation include a trade centre in Kingswood, Avon and the creation of a glass museum and visitors centre at Dudley, West Mid-

Heathrow 'world's worst' airport

HEATHROW is the world's worst airport say passengers using it, according to a survey conducted by the International Airline Passengers' Association.

More than 20 per cent of the people questioned thought Heathrow had the worst facilities for passengers.

investment account interest rate cut THE rate of interest paid on

the National Savings Bank Investment Account (Invae) is being cut from 131 to 13 per cent from May 1.

### Acton Pierce: City character

THE DEATH of Mr Acton specialist City firm handling a remembered fondly at the Stock Pierce, senior partner of stock- steady, flow of fund raising Exchange for his dignified brokers Seymour Pierce, last issues by independent water Thursday has deprived the City companies. Action Pierce, as the of one of its more colourful senior partner for the last 16 years, became the doyen of the water companies market.

Acton. Pierce joined the Sporting a handlebar mous-family firm-at the age of 21 in tacke and affired in traditional 1934, following in his father's. City uniform of iron grey pin-and grandfather's footsteps. He striped trousers, black jacket served in a gunnery regiment in and waistcoat complete with the Middle East during the war.

Seymour Pierce became the in his button hole, he will be

Edwardian appearance. The picture was completed by his mode of transport—a 1934 Rolls-Royce inherited from his father.

... Outspoken at all times, his own words from an interview in the mid-1970s summed up his approach to business: end I can sell anything because people will take my word. They know I speak the truth.".

### **Employers told to shoulder** responsibility for training

improving Britain's industrial training performance was laid on employers by Sir Richard O'Brien, chairman of the Manpower Services Commission.

"What we do or do not do depends . upon you - the employer. It does not depend on the Government, the MSC or the trade unions withough all have a part 10 play," he told Sir Richard told the directors

that investment in the men and women who worked for them was imadequate in Britain, It was often misdirected, ineffec-tive and gave too little return. "If we do not make this

investment, Britain will not be as prosperous as its Continental will be slower and employers will find their businesses are less profitable and people will

Competitor nations made this Every school-leaver should be investment for economic reasons given a period of basic training

Loans move

on grants

to students

SIR KEITH JOSEPH, Edu-

cation Secretary (pictured right), told the convention

he was considering intro-

ducing a loan element into

He said it was not auto-matically right that the public

should pay all the costs of those in higher education,

many of whom would go on

tel relatively well paid careers. Britain was one of

Public cost

student grant

Alan Pike and Gareth Griffiths report on the Institute of Directors'

convention in London

ing for the people that work forthem, and public investment in education, training and man-

ower policy." Sir Richard outlined the three central aims for the reform of training in Britain. The need to provide basic training for all school-leavers; to improve skill training; and to make better provision for adult retraining.

"We all need training and competitors, and certainly the retraining opportunities during Japanese. Economic recovery the whole of our working lives and never more so than in the 1980s when we are facing rapid and profound changes in technology and markets."

and Britain must do the same. Telated to work experience and Britain must are related to work experience and Britain industry and commerce further education for up to a trained, productive, competent, year. During this time, the adaptable and well-motivated workforce. "To get this, we must have investment by employers in training and retrain-

we are doing is preparing the young person for working life in the interests both of the employer and society as a whole, Training for particular skills comes later."

If opportunities of this kind were made available, there would be a right to ask schools to prepare their pupils for the kind of training and work experience which they would face when they entered work.

Sir Richard warned that many companies might not be able to take advantage of the economic upturn because of a shortage of technical and professional skills. Employers needed to change or upgrade the skills of existing workers.

"The apprenticeship system. the traditional way of teaching people skills, is beginning to match up to industry's needs."

The target for the introduc-



### Minister insists: 'Automate or liquidate'

THE CHOICE for British economies of scale enjoyed by industry was stark—automate or their competitors. British infor-Liquidate, Mr Kenneth Baker, mation technology companies Minister of Information Tech- had to think of arrangements nology, told the convention. and do business on an inter-"The robot does not have to national scale. The combined destroy jobs. By increasing turnover of the six biggest

efficiency and competitiveness, robots can add up to job security and expansion." encourage

choice of parents further.

Mr Baker said that to achieve in the world league table.

British-owned information technology companies was about equal to that of Siemens of West Germany, which was itself sixth

we will be by the end of the decade? We could have a world market share of less than 2 per cent, import penetration of over haps fibn in world trade,
"These are, of course, only

estimates. But it does mean that we are going to have to get our act together and buck these

#### Crime detection rate to be investigated for assaults the detection rate was 50 per cent and for

LONDON'S POLICE have begun an urgent examination of their relatively low crime detection rate, Sir David McNee, the Metropolitan Police Commissioner, told the convention. Last year the crime detec-

tion rate in London fell to 17 per cent overall. Such a detection rate required considerable qualification said Sir David but he was concerned that the rate had not kent up with the increase in crime. A rate of 17 per cent was unacceptable, although murder 87 per cent.
The police force had no ready way of balancing the books or simple indicators of performance but "the police force should be capable of satisfying its public that it is giving value for money." He defended the Metro-

politan Police's decision earlier this month to publish the racial breakdown of street crime or mugging. motive was to serve the public interest by the publicavance to a serious and diffi-cult problem. "Thankfully many people shared our concern that the problem should be stated and

steps taken to prevent all our

lives, particularly in the inner city areas, from becoming intolerable." Police strategy in London rested on building up com-munity awareness about crime and its prevention and on the more immediate task of preventing and detecting

### Call to boost free enterprise

put more emphasis on implementing free enterprise policies, Mr Walter Goldsmith, the instifute's director-general, told the

In a speech attacking what he called the sleeping sickness of the British economy induced by trade union power, Mr Goldsmith said the trade union leadership had been the prime source of unemployment and creation of jobs.

He said it was unfair to blame the Government's economic policy for the rise in unemployment. The British economy had run into trouble long before the onset of the reces-

However, there were signs of an improved attitude in industry, with productivity last year rising by 10 per cent in spite of an overall fall in output. Profits this year would be up down others, is not helpful. by an estimated 15-20 per cent - Nor should there be back directive was implemented.

THE GOVERNMENT should compared to last year, with a tracking on the need to make similar increase in 1983. the institute's commitment to greater privatisation and called for a statutory right for private

contractors to tender for local government services. Businessmen should be involved in the determination of local authority spending plans, he said. In a scarcely veiled criticism employers organisations the biggest obstacle to the such as the Engineering Em-

ployers' Federation which has encouraged a cautious approach to changes in trade union law." Mr Goldsmith called for outright abolition of the closed

and procrastinate to defer the

immunities dependent on trade-Mr Goldsmith re-emphasised unions following procedures agreed with employers before taking industrial action.

> "Time and again the views of grassroots employers have been made clear. They must not be distorted in the path to government.'

He urged ministers to resist fiercely any move by the European Commission to implement the fifth directive which would give trade union negotiators statutory access to company information.

Such a move, Mr Goldsmith "There are some among employer organisations who industrial power than ever they have played less than a straightforward hand. Backdoor

forward hand. Backdoor The Government should be pressure on Mr Tebbit to delay prepared to veto any proposals on industrial democracy because introduction of some of the pro- Britain would face a significant visions in his Bill, to water further competitive disadvan-Britain would face a significant tage in world markets if the

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19 24 1982

### Lords petitions threaten Lloyd's Bill

BY JOHN MOORE, CITY CORRESPONDENT

tion in the Lloyd's insurance market is threatened by a Lloyd's. serious setback. Six parliamenopponets of the Bill. This could lead to protracted delay and substantial changes to the legislation.

Lloyd's is promoting the legislation in the form of a private Bill, which has been with Parliament for more than a with Parliament for more than a which classifies the Lloyd's year. It has only just commembers into working and pleted its stages in the House external members of the market. of Commons.

Under the procedure for House of Lords are: private legislation, interested A patition by Lloye parties can frame petitions to Alexander Howden; seek changes to the legislation. Lloyd's insurance brokers are

cessfull businessmen is an angry young man named Ian

His family company, the John Wood group, builds for

and services the offshore North

Sea oil industry. Three divi-sions and 30 companies make

the group one of Scotland's

largest private concerns with a

£70m turnover, more than 1,700

employees and an estimated

pre-tax profit last year of £3.8m.

the attitude he finds in Britain

towards the kind of risks he

and other entrepreneurs have

to take—an attitude which

finds industry and business

In the polite and rather restrained world of Scottish

business there are only a few

like Ian Wood willing to spoil

the party by speaking out. Britain is losing out in the North Sea, he says.

His long sideburos and crumpled suit mark him as a

maverick in a room full of pin-

slightly repugnant.

What makes him angry is

underwriting syndicates

Other underwriting members tary petitions have been lodged of Lloyd's are opposed to pro-with the House of Lords by posals that a new Lloyd's ruling council should receive legal immunity protecting it from suits for damages by its mem-

> Another group of underwriting members are seeking to remove a clause in the bill The petitions lodged with the

A petition by Lloyd's hrokers. Alexander Howden; Stenhouse Holdings; Minet Holdings; and C.E. Heath are opposed to a clause requiring the compulsory heads a small Lloyd's broker,

individual performance in in-

"We have almost come to

accept the inevitability of our

industrial decline and far too

often management simply abdi-

cates responsibility either blaming government, trade

unions or both," he said in a

"If we are to effect Scot-land's industrial renaissance

our communities must be con-

verted from the view that busi-

ness and industry are necessary evils to be tolerated by a

society which really should

dedicate itself to the academies, the professions, the

It still rankles that when he went to give a speech at his old school, he was told he was the first industrialist to speak

If Mr Wood, at 39, were

military and public service."

est writing syndicates.

 A petition lodged by Lloyd's underwriting agents. Andrew Drysdale Underwriting: Cassidy Davis (in which Willis Faber underwriting agency holds shares); Holmes Hayday (Underwriting Agencies); R. J. Kiln; Roberts and Hiscox and Henry Ralph Roxeby-Johnson are opposed to a clause requiring compulstory divestment of brokers' shareholding links with Lloyd's underwriting syndi-

A petition by Mr Malcolm Pearson, one of his companies; Pearson Webb Springbett (London); and Mr George Wauchope. Mr Pearson, who

tures drawn by his children pinned on the wall.

• A campaign led by the

Government, industry and the

unions to achieve the necessary

attitude and business environ-ment. This would involve a

media campaign to re-establish pride in industrial performance.

● A drive to develop an

indigenous oil manufacturing

skill and technology as well as downstream oil industry activity

■ A reasonable degree of pro-

tectionism to ensure local and

national industries are given

the support to get started in oil

• The establishment of a busi-

ness actool, possibly in Edin-burgh, to rival Harvard to help remove the "branch office" men-

such as petrochemicals.

development.

tality in Scotland.

for the day would include:

Policy guidelines and orders

legal immunity.

• A petition by Mr John Burrows, a Lloyd's underwriting member, who says the classification of members of Lloyd's into working and external members

● A petition by Mr Nick Parker, Lloyd's underwriting member, who is also opposed to the classification clause. A petition lodged by Ms Jacqueline Bush, a claims

broker with Alexander Howden, and Mr Duncan Grant, a divi-sional director of Alexander Howden Insurance Brokers. They are opposed to the immunity clause in the legisla-

Mr Wood is worried about the

effect the success of North Sea oil is having on the established

industries of papermaking, fish

processing, textiles and agricul-ture in East Scotland.

The John Wood Group has had to face the effects of this

industry's oil activities have grown from a base steeped in

traditional activities of

In a joint venture with Drilex

UK, the group is about to launch a new system of down hole

These motors, of Russian design, turn the drill on the sea-

bed and not on the platform

several hundred feet above. A

screw-threaded drill inside a pipe is rotated by mud forced

The demerger, in Ian Wood's

view, improves the company's image when wooing U.S. companies who might be out off by

the diversity of the larger

down through the pipe casing.

drill motors."

group.

dual economy because

THE LLOYD'S Bill of Parlia- which will require them to sell divestment of their sharehold- opposes the clause which gives "Lloyd's in future would be less ment for improving self regula- off their shareholding links with ing links with Lloyd's under- a new Lloyd's ruling council likely to avoid negligence if it was protected from the effects of such negligence.

The Lloyd's Bill is due for a second reading debate in the Lords. May 4 has been given as a provisional date for a select Lords committee sitting to review the legislation and hear the petitions.

• Lloyd's has formed a top level committee to study its inderwriting agency system following an undertaking which it gave to Mr Michael Meacher (Lab, Oldham W.) in committee readings of the Bill in the House of Commons. The committee is to be chaired by Mr Alec Higgins, former deputy chairman of Lloyd's, and will tion. They argue that if that be made up of representatives clause were to pass into law from all parts of the market.

Mazda

launches

new van

By Kenneth Gooding

light vans.

ANOTHER Japanese vehicle is today launched in the highly

competitive UK market for

Mazda (UK) is introducing

the E 1600 panel van made by Toyo Kogyo at a price deliberately pitched below those of its rivers.

The Mazda van costs £4,149

(excluding VAT) compared with, for example, £4.441 for the equivalent Ford Transit 80.

It. is also cheaper than the Japanese Toyota Hiace which

The big surge in sales of

Japanese light vans in Britain last year caused a row between

the UK and Japanese motor

Japanese Automobile Manu-facturers Association (Jama)

agreed to restrain shipments

of these vehicles to cut their

share of the UK market for light commercial vehicles from 19 to under 11 per cent.

• Faced with restrictions or

volume because of the gentle-

men's agreement on shipments

of cars from Japan, the importers

are pushing up the value of those vehicles they can sell.

The latest example is provided

today by Subara (UK) which says its 1982 car range will cost

between £4,993 and £6,488 com-

priced at £4,298 to £5,980.

But last November

is priced at £4,154.

industries.

#### Packaging prospects good say economists

AN OPTIMISTIC view of prospects for the UK paper and packaging industry, which has cut capacity sharply during the recession, is taken by the Economist Intelligence Unit in its latest review of the

But it warms of a shake-up in Fleet Street with casualties in the newspaper industry in the coming year. News-print use is expected to be slack after an estimated 4-5 per cent in 1981 to 1.3m tons. It says there is firm evidence that profitability in the paper and packaging indus-try is rising on a broad front. with more and more com-panies increasingly confident about the future.

It notes that there are still some problem areas and the recession continues to take its toll. However, many managements have coped well with adverse trading condi-tions in the past two years. "There is clearly much scope

for dramatically improved profitability levels when a sustained economic upturn takes place," says the units report. Among major com-panies in the industry DRG is due to report results today

and Bowater early in April. On the newsprint side, the unit expects demand to stay stagnant in the first half of 1982 with many newspapers having difficulty maintaining size and circulation at a satis-

factory level. "There is likely to be shake-up in Fleet Street and some casualties in the newspaper industry are expected in the coming year."

For the second half it sees some possible recovery, but the full year is likely to be flat and could fall slightly if economic recovery is delayed further.

The unit's report says that UK consumption of newsprint dropped more sharply in the third quarter than foreseen, Demand was 4 per cent lower than in the same period of 1980 at 315,000 tons. Conditions have been

depressed for both the provincial and the national Press, with advertising declining markedly. Classified advertising in the provincial Press, notably in the Midlands and North, has

NUU is now to merge with the been particularly hard hit.

### Ulster industry chief faces jobs crisis

BY OUR BELFAST CORRESPONDENT

DESMOND LORIMER, chairman of Lamont Holdings, the property, textile engineer-ing and life assurance company, is today studying Northern Ireland's unemployment figures with renewed concern.

One in five persons is still without a job, underlining the enormity of the task which Sir Desmond faces in his new posi-tion as chairman-designate of the Industrial Development Board set up by the Government to spearhead Northern Ireland's struggle to create jobs and broaden its range in industries. The Industrial Development Board is the Government's answer to criticism that the province's system of separate industrial development institu-tions has outlived its usefulness in the competitive business of attracting industrial investment.

The new body begins work in earnest this August after the necessary legislation passes through Parliament. It will replace the Northern Ireland Development Agency and the Industrial Development Organisation which is part of the Department of Commerce.

The scale of the problem being thrust upon the Indus-trial Development Board is illustrated by the loss of 22,000 jobs in the region last year. The number of new jobs promised by Government-sponsored projects and expansions in the same period was 3,500.

Mr James Prior, the Northern Ireland Secretary, this week

oversee the industrial development work. No civil servants will sit on the board although its staff, ultimately about 300, will be civil servants.

The appointments so far accountant with experience in industrial development, two men who run big factories in the province and a university professor who is an expert in industrial research and develop-

ment. The cemaining appointments will include one trade unionist, ! although the Government has so far failed to win the wholes hearted support of the trade umon movement.

Mr Adam Butler, the Minister of State who is putting the Industrial Development Board together, is still being sniped at by Mr Terry Carlin, the ful-time officer of the Irish Congress of Trade Unions in Ulster. He argues that the new body should be free from civil service

Mr Butler has defended his plans. He says it is impossible under British parliamentary democracy to hand out some-thing like £100m a year of public money to an organisation and then tell it that public representatives will not scruti-

nise its work.
The most important IDB post will be that of chief executive, and the Government acknowledges that the search for the right man is not easy. It calls for someone who is preparedto stake his reputation on tryannounced Sir Desmond's ing to improve the UK's worst appointment, and named five of regional economy for about the 12-strong board which will £50,000 a year.

#### Ulster colleges merged to avoid university closure

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT decided 5,700-strong Ulster Polytechnic. three-and-a-half year study that affected. they be kept separate.

The merger scheme is intended sity the Government has parto save the New University of Ulster from closure. NUU's 2,500 students are thought to consist of roughly equal numbers of Catholics and Protestants and it is believed that the Government decision is aimed at minimising inter-communal tensions that could have increased had NUU

yesterday to merge two of the The longer-established Queen's three higher educational institu- University of Belfast, whose tions in Northern Ireland, reject- 6,700 students are evidently ing the recommendations of a mostly Protestant, will not be In preserving the New Univer-

tially accepted the view of the

committee of inquiry led by Sir-

Henry Chilver which was

formed in 1978 to consider the future of higher education in Northern Ireland. The Chilver Committee's final report, published yesterday,

however, opposed the merger Ulster Polytechnic based in Belfast

#### running things, his headquarters would probably still be in economy with oil-related indushis large, cluttered office in an tries allowed to grow alongside from oil-related work, was not striped industrialists. good he feels for the traditional industries of fishing, joinery. He fumes over what he calls the apologetic and embarrassed unspectacular factory building but not at the expense of tra- ship repairs which now form attitude in Britain towards in Aberdeen with crayon picditional Scottish industries.

Railways 'should be converted into roads'

How to improve the entrepreneur's image

Mark Meredith analyses the frustrations of a

captain of industry in Aberdeen

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A PROPOSAL flat private capital be used to convert railways into roads is made in a report published yesterday by private capital." If conversion is the winter contractor policy the right-wing Centre for Policy

the report, argues that conver-spent much of his time working Either way, the Government sion of the rail network to roads for the Greater London Council is relieved of the cost of conwould lead to more than half; in departments dealing with struction and maintenance, present traffic being removed transport policy.

Mr Dalgleish says the raily everloaded all-purpoi roads.

"This would transferor for the better the lives of buildreds of thousands of people and do more to reduce road accidents

the right-wing Centre for Policy to be carried out quickly and ment could relate payment economically, says Mr Dalgleish, the duty on the fuel used to the report argues that converge t

turnpikes. A simpler method, he says, would be to install traffic counters on the routes.

The road contractor would then receive payment from the Government based on the num-

Either way, the Government roads.

Mr Dalgleish says the railways Private capital could be intro- cater "for only a tenth of our duced by operating the con- movement needs." He proposes verted routes as toll-roads or that about 11,000 km (6,875 miles) of two-track rail routes could be considered for convercould be considered for conver-sion into single carriageway £2.50.

There are also about 2,500 km of multi-track rail routes which ber of axies passing, or a refine-ment could relate payments to motorways, and 4,500 km of the duty on the fuel used on the single-track rail routes which could be converted into 6 metre

On the basis of these British Rail's network can be converted into "a complete new trunk road network with a capacity of 350m vehicles km per 16 hour day."

The Truth About Transport

### **Queen backs Liverpool festival**

BY IAN HAMILTON FAZEY, LIVERPOOL

THE QUEEN has agreed to be patron of the first British International Garden Festival, to take place in Liverpool in 1984. The £13m festival, on 250 near the Toxteth riot area, is a major feature of government plans for Merseyside's inner

The Queen's participation is expected to give the project an enormous boost in prestige. Mr Michael Heseltine, the Environment Secretary, said vesterday: "This is the largest and most ambitious inner city regenerative scheme attempted m Britain this century." The scheme, run by the

Merseyside Development Corporation, will create permanent assets in an area which was formerly an industrial graveyard of disused docks, unstable tips and abandoned tank farms. Yesterday, Mr Heseltine and a ferry-load of elected leaders, officials, local industrial leaders and representatives of the world's press, inspected the works from the Mersey, cruis-ing up and down the river in

On the bank local schoolloudly, children cheered hundreds of green released balloons and held up cards reading "Welcome" in five languages for the benefit of the foreign journalists on board, from Holland, Denmark, Brazil, Switzerland, Germany and China. Unfortunately Chinese was not one of the languages.
A little way upstream another

group of youngsters paused in their work for Opportunities Programme --restoring a pre-war esplanade called Otterspool Promenade -to shout something else. The words, the tone of which did not sound complimentary, failed to carry to the Secretary of State

Details of the festival site announced yesterday include eight-lane, internationalclass running track, an amphitheatre for concerts and recitals and eventual conversion of the main exhibition halls into a complex of indoor sports and leisure facilities.

These, together with pubs and restaurants, will be permanent features and occupy

NOTICE

To Holders of 7% per cent. Currency Linked/U.S.

Dollar Payable Convertible Bonds due 1987 of

NIPPON SHEET GLASS COMPANY LIMITED

Pursuant to Clause 7 (b) (1) of the Trust Deed and Condition 5 (c)

of the Terms and Conditions of the Bond dated as of 4th December,

1980 under which the Captioned Bonds were issued, notice is hereby

1. On 23rd February, 1982 the Board of Directors of the Company

resolved to make a free distribution of shares of its Common

about half the site. A "Beatles Park" is also likely, and a John Lennon memorial garden.

The other half of the site will be used for gardens during the festival. Some of these will be "learning" gardens with ex-perts to teach visitors, others will be highly specialised, and others will come from around the world, provided by foreign governments or trade associations. This land will later be built on with a mixture of housing and factories.

Several househuilders are competing and negotiating to build houses and gardens on a "homes and gardens" section of the site.

The whole scheme is pected to generate more than 4,000 long-term jobs.

The Liverpool Festival's winning of international status awarded by the International Association of Horticultural Producers against competition from Nice, Vienna and Chicago —is expected to push the six-month-long event into profit, with 3m visitors.

### iet lease deal

By Michael Donne,

BRITISH Caledonian Airways has completed an £18m leasing deal for a Boeing 747 Jumbo jet, formerly operated by Braniff of the U.S., which the UK airline will use on the Gatwick-Nigeria route from

tonnes of cargo.

#### FT writer given honorary degree

Editor of The Financial Times, is to be awarded an honorary degree by the University of Saiford.

Six honorary degrees are to be conferred by the University in July. Mr Fishlock will be made a Dorsor of Letters.

The University of Salford said: "David Fishlock's most important journalistic contribution has been to bridge the gap in this country between developments in science and technology on the one hand and the interests of imencial and com-

Mr Fishlock, who has served on a number of government scientific advisory committees, was awanded a Glaxo Travelling Fellowship for his achievements in technical journalism in 1976

### B Cal in £18m

The deal is for 45 years, and was arranged through the Royal Bank of Scotland. The 747 will fly six round-trips weekly between Gatwick and Lagos, with an en route stop three times weekly at Kano in Northern Nigeria.

The 747 has been added to the route because of the increasing demand for seats. It will seat 324 economy class passen-gers and 56 first-class passengers, with space for up to 18

Mr Alastair Pugh, managing director of British Caledonian, said the airline was considering acquiring further 747s, to increase capacity on its other long-haul routes.

MR DAVID FISHLOCK, Science

A chemist by training Mr Fishlock has held the post of Science Editor of the Financial Times since 1967.

mercial decision makers on the

and the Queen's Silver, Jubile Medal in 1977.

### This announcement appears as a matter of record only.

(Kabushiki Kaisha Seiyu Store)

THE SEIYU STORES, LTD.



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#### **Warrants**

to subscribe for shares of the common stock of The Seiyu Stores, Ltd.

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C.E. Coates and Company Dai-Ichi Kangyo Finance (Hong Kong) Limited

Dai-ichi Securities Co., Ltd. Daiwa Overseas Finance Limited Daiwa Securities (H.K.) Limited

LTCB Asia Limited

Fuji International Finance (HK) Limited IBJ Finance Company (Hong Kong) Limited

Kyowa Finance (Hong Kong) Ltd. Mitsui Finance Asia Limited

Mitsui Trust Finance (Hong Kong) Limited New Japan Securities International (HK) Ltd.

March 1982

Arab Asian Bank e.c.

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Union Bank of Switzerland (Securifies) Limited

The Nikko Securities Co. (Asia) Ltd.

Nippon Kangyo Kakumaru (Asia) Ltd. Osakaya Securities Company Limited Saitama International (Hong Kong) Limited Sanyo Securities (Asia) Limited The Sumitomo Trust Finance (H.K.) Limited

Taiyo Kobe Finance Hong Kong Limited Takugin International (Asia) Limited Tokyo Finance (Asia) Ltd. Wako International (Hong Kong) Limited

Yamaichi International (H.K.) Limited Yamatane Securities (Hong Kong) Ltd.

Yasuda Trust & Finance (Hong Kong) Ltd.

Stocks to the shareholders registered as at 3.00 p.m. as of 31st March, 1982 (Japan time), at the rate of 0.05 new shares per one share held.

Accordingly, the Conversion Price of the Captioned Bonds will be adjusted effective immediately after such record date. The Conversion Price in effect prior to such adjustment is Yen 321

given as follows:

per share of Common Stock and the adjusted Conversion Price is Yen 304.9 per share of Common Stock. NIPPON SHEET GLASS COMPANY LTD.

Financial Times Monday March 22 1992

# jobless in Britain

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

was 2.832m or 11.8 per cent of slowest to suffer from the the workforce in March, on a general rise in unemployment seasonally-adjusted adult basis. in the last two years. This is one of the highest rates in the developed world. However, unemployment now is per cent or 5,600 in the South increasing at a faster rate in East between February and several other countries includ- March. This compares with a ing the U.S., Germany and slight fall of 2,100 or 7 per cent

As the table shows, only Belgium has a higher propor-tion unemployed than the UK but Ireland, France and Holland are not far behind.
In the UK the average num-

ber of unemployed in the last three months has increased by 3.4 per cent against the previous three months. The corresponding increase in West Germany was 18 per cent, although considerably fewer people are unemployed there.

The increase between the two quarters in the U.S. was 11 per cent, in Canada 6.5 per cent and in France 2.8 per cent. Unemployment in the UK is still increasing at the fastest rate in the traditionally more

Tous areas of London and

UNEMPLOYMENT in the UK the South East, which were the On a seasonally-adjusted basis,

unemployment increased by 0.8 Scotland, where a substantially higher proportion of the workforce is without a job.

PERCENTAGE OF WORKFORCE UNEMPLOYED (FEBRUARY) (Seasonally adjusted)

uk · 10.4 Netherlands (Jan.) Italy (unadjusted) 9.9 Denmark (Dec.) 9.9 Canada

> Merseyside. Source: Department of Employmen March

For the first year, the TSB North West will look at train-

The bank wants to help Information Technology Centres and may be involved in sponsor-ing the fixed of the five centres on Merseyside, four of which have already attracted sponsor-

ship.
General projects and commercial and business training centres will be other areas of expenditure and the bank might decide to second staff to the

Mr Albert Owen, the TSB North West general manager. said yesterday that he hoped the bank's commitment would go some way to easing problems caused by youth unemployment. "It is strictly a re-

### community projects on

By Nick Garnett, Northern

Merseyside

THE Trustee Savings Bank in the north west of England, said yesterday that it is to re-invest per cent of its net profit annually in community projects in the first clearly-defined scheme of its kind within the

This is expected to involve about £500,000 in the first five years. The bank has decided to concentrate on youth unem-ployment in the next year, and is allocating about £70,000. The schemes it will be sup-

porting are linked to the work of the task force set up for Merseyside by Mr Michael Heseltine, the Environment Secretary, and the CBI special projects programme Money from the bank, how-

ever, will eventually be direc-ted to projects throughout its area, which include Manches-ter, south Lancashire, Cheshire and Derbyshire, as well as

The 16 regional banks within the TSB structure have been encouraged to assist in com-munity projects, but the TSB North West scheme is the first to allocate formally a specific share profit to this.

ing workshops and the bank is discussing with the Manpower Services Commission the setting up of such a workshop at Kirkby, Liverpool.

### Slower growth of TSB to aid | BA claims ramp staff action crumbling

BRITISH AIRWAYS yester-day claimed that the six-weekold stoppage by 2,000 ramp staff on its short-haul flights at Heathrow was showing signs of crumbling, writes John Lloyd.

Talks between the airline and the union involved, the Transport and General Workers' Union, will resume

IT IS DIFFICULT to avoid

concluding that the cause of

British Airways Heathrow Air-

poet ramp staff is lost. Locked

out, they insist, for refusing to

operate new work schedules

which form part of BA's sur-

vival plan, they have seen the

airline reach a high level of service with the help of strike

breaking on a scale rarely seen

since the general strike of 1926. A week ago BA began to

achieve 100 per cent of Euro-

pean and domestic flights, albeit

Yet the dispute goes on. BA

claims to have had more than

200 telephone calls from ramp

staff who want to return to work but no movement to

overturn the advice of shop

stewards has emerged from

BA's measures include:

extending ramp staffs' working

week from 381 to 40 hours;

ending what the airline calls

rostered overtime and the workers call a guaranteed earn-

ings clause; increasing the

number of days they can be

asked to attend work within

their overall hours; regrading

them temporarily with a view

to incorporating them this

summer in a wider group of

ground services staff; and deploying them more flexibly.

Longer hours

without freight or mail.

their ranks.

Mr Ron Todd, the TGWU national organiser, said last night that he did not expect a breakthrough, but both sides would lay out their positions once more.

It is understood that about 100 baggage handiers reported for work yesterday, following a letter to them from the airline's operations director, Mr David Hyde.

shop stewards also object to the

300 job losses which the

Some of this ground has

already been conceded by the

Transport General Workers'

Union, which organises the

ramp staff. Most of the 300

have left, and for more than a

month the union's peace pro-posals contained a commitment

practices and acceptable rosters

with the objectives of accom-

modating the staffing levels tabled by British Airways management."

There seems to be four main

barriers to the solutions. Ramp workers' leaders wish to avoid

the defeat which would weaken

their future bargaining power.

They believe that BA has broken agreements and imposed changes, and they are reluctant

to co-operate with operations to

"privatise" the airline. The staff leaders also feel they are

resisting a generalised attack by

British management on unions.

The TGWU, which has made the dispute official, could hardly

have chosen worse ground on

Main barrier

to jointly discuss working

changes envisage.

inviting them to return.

A representative of the baggage staff admitted that a number of his colleagues had returned for work, but said it was impossible to tell how

The ramp staff leaders staged a lobby of MPs at Westminster, where they said the action would continue. BA said that baggage would

But shop stewards' power is

considerable in the TGWU, and

national officials have a left-

wing executive behind them

which would condemn any

weakening tof support for the

Meanwhile most of the TGWU's \$3,000 workers at Heathrow Haily flout instructions not be cross picket lines or work with "blackleg labour."

Management oven says there are

Management even says there are TGWU members among the "volunteens" loading baggage.

The union offered BA a return to work for 21 days under the old rostes for talks to achieve the chaires. It has also agreed new professals, including working some rest days, which it believes, would make this possible.

Mr Ren Todd, TGWU national organistr, says if he does not

general secretary, to meet with Sir John King, BA chairman, and will press the national joint

council to implement its indus-

the old rosters because it has

already released nearly 300

workers and it fears the shop

stewards would filibuster once

back at work. The company says

that it has exhausted negotiat-

tosters and has been faced with

refusal to negotiate on working

procedures on the new

HA insists it cannot return to

trial action threat.

will ask Mr Moss Evans.

ramp workers.

many.

'Lost cause' airline dispute goes on

Brian Groom looks at action by

Heathrow baggage staff

continue to be handled by volunteers, and that all flights were operating normally.

A threat from the staff side of the national joint council for civil air transport to recommend industrial action by at BA unions if the airline continues to use " blackleg labour" appears to have been ignored by the manage-

There is little pressure on

BA to make concessions.

Though managers insist they

are not asked to "take on" the

stewards, the temptation is

stronger now to inflict a wound-

ing defeat on the influential

leaders of a group of workers

who they believe have some of

the cushiest working conditions

Un to last week the dispute

small sum set against likely 1981-82 losses over £200m, and

against what it would have lost

if the action had been success-

ful. It has hit BA less hard

than the loss of an average £150

kers, who are reciving £12 a week strike pay from the union.

Survival plan

week has hit the ramp wor-

had cost BA over £5m -

in the airline.

#### Nursing unions to make fresh pay appeal

By Ivo Dawnay, Labour Staff

LEADERS of Britain's 500,000 nurses are to make a fresh appeal to the Government for more funds for wages after the management side of the National Whitley Council Council yesterday refused to improve on its 6.4 per cent pay package. Union leaders were angry failed to back them in a joint

ther funding.
But the management said last night the offer was "realistic" when seen in the context of public expenditure plans and the resources available within the health service.

approach to ministers for fur-

A further appeal to Government is unlikely to influence Ministers following the allocation earlier this month of an i extra £63m to boost nurses' pay. Unions now face the option of accepting the offer or of planning industrial action in support of their claim for rises in line with the increased cost of

living. The Royal College of Nursing's 194,000 members are unable under their rules to take strike action. But the National Union of Public Employees and the Confederation of Health Service Employees, together representing over 300,000 nurses, may ballor their mem-bers on selective strike action, representing

#### BA also believes it dare not

give in after agreeing sweeping changes with every other group to implement 9,000 job losses as part of its survival plan. Certainly the volunteers loading baggage — some of them on overtime, but others without payment — would not take kindly to that. Outside the Heathrow peri-

meter a thin band of pickets watches the traffic go by. Management says that some of these are not BA employees - a charge denied by stewards.

They also reject suggestions that workers do not want established ramp units broken up because they organise theft staff-will begin on Tuesday which has dropped sharply with stoppages in about a third during the dispute. Anger over of English and Welsh schools. such accusations seems to be a Strikes on Wednesdays and factor bolstering support for Thursdays will disrupt the the ramp workers' leaders.

#### Strike threat by teachers

TEACHERS leaders vesterday warned of a series of half-day strikes next week if the Burnham Committee falls tomorrow to allow a 12 per cent pay claim to go to independent arbitration.

Joint antion by the National Union of Teachers and the National Association of School-masters/Union of Women

### Hip joint factories 'no solution'

BY DAYLD FISHLOCK, SCIENCE EDITOR

HIP "FACTORIES" specialising figures are available - 15,330 delay may still be too long. Service waiting lists. according to a study of the of about £18m. operation in British hospitals,

published today.
Once the relatively small backlog of patients waiting for hip replacement had been cleared, such centres could In terms of bed-days, it prob-become white elephants, con- able ranks sixth in operations in cludes the Office of Health Britain today. Economics, the think tank of

It says hip joint replacement is one of the most cost-effective disability and from savings in examples of major surgery in other health and welfare the way it can improve quality expenditure.

of life for recipients. The operation is thought to cost a minimum of £1,200 per meet the demand for the opera-patient at 1981 prices. In 1978 tion without undue delay.

a total cost to the health service

and relief from pain since a successful technique was developed by British surgeons in the 1960s.

The office believes that society the British pharmaceutical reaps a return four times as great as the investment in the operation from removing the

It finds that nationally there are now adequate resources to the last year for which although in some regions the

in replacing hip joints are not people in England and Wales West Midlands and Trent are the way to reduce National had the operation, suggesting singled out as areas where wait. EMPLOYERS are receiving employers at local level in the ing lisis may still be too long Despite some deficiencies, the As many as 200,000 people in health service has not failed as Britain have regained mobility a system, the office concludes. Most patients are not subjected

> gery, and there is little evidence that Britain's supply of hip replacement surgery falls significantly below that of other Western developed countries." Two technical developments which led to the "take-off" of total hip replacement were pioneered in Britain by Mr John

Charnley at the Wrightington Hospital, Wigan. Hip replacement and the NHS by William Laing and David Taylor. Economics, Office of Health 12. Whitehall, London, SW1A 2DY. £1.00.

to an unacceptable wait for sur-

### Unions warn employers of fight against Bill

The new grades would give which to fight the latter point, the ramp workers an extra £130. It is widely believed that a year each on average. Their the national leadership—whose leaders object that they have recommended peace deal was

to work longer hours, more thrown out by the workers over

days, and stand to lose £1.200 a month ago—would privately to £1,800 a year. The last point like to have settled it some is hotly disputed by BA. The while back.

BY JOHN LLOYD, LABOUR EDITOR

Warning letters from trade unions that any attempt to use the forthcoming employment legislation will meet fierce and co-ordinated resistance. The General and Municipal

Workers Union, the country's third biggest, held a meeting of full-time officials last weekend to co-ordinate campaign against the Bill. The union will seek joint union support in most industries for letters to employers stressing the dangers of the legislation to industrial rela-

The Amalgamated Union of sations at national level and

Boyd, AUEW Sir John general secretary, said last night many of the replies had been \* evasive."

The Transport and General Workers Union, the biggest union with 1.7m members, will hold a meeting of its national officers and its executive on April 4 to determine the nature of its initiative.

The CBI has issued no guid-

ance to members on the issues. heyond background notes on the Employment Bill itself.

The AUEW executive will offer an 8 per cent pay rise to Engineering Workers, the the 200 staff at its London second biggest union, has headquarters. The offer has to written to all employers organibe ratified by the union's rules revision conference next month, shop and because the Bill was

### Top civil servants back TUC campaign

BY PHILIP BASSETT, LABOUR CORRESPONDENT

First Division Association are in as Mr Arthur Scargill, president in grey areas such as these."

as Mr Arthur Scargill, president in grey areas such as these."

as Mr Arthur Scargill, president in grey areas such as these."

The FDA executive decided traditionally politically neutral Mineworkers. traditionally politically neutral Mineworkers.

some of whose members prob-ably helped in drafting the Billmembers of the union, ranging as high as Whitehal Ipermanent secretaries, would support many spects of the Bill.

Mr John Ward, general secretary, says in his union's journal that "there is quite a lot of the Bill with which many members

would agree."
One FDA leader even suggested that many members would agree with a Bill which took action against the closed meworkers. Mr Ward wrote further: "The

position by deciding to support Mr Ward wrote further. The most of the TUC's proposals for Bill clearly reflects Government action against the Government's policy, and on those grounds special conference of all some (members) would assert affiliated union executives at that the FDA has no business Wembley on April 5. 

acknowledge that many meeting of the FDA executive agreed with the suggestion that some of the Bill's clauses could harm the interest of FDA members: in particular, the clauses allowing employers to dismiss fairly, selective strikers; to obtain damages against unions and their officials; and

> Tacitly acknowledging FDA members' expertise in the drafting of Bills, Mr Ward writes: Members may well doubt the

SENIOR civil servants in the attacked by such trade anionists wisdom of trying to legislate which will be voted on by a special conference of all

> After seeking points of clarification that the type of campaign, envisaged by the TUC. does not include widespread industrial action, and that financial assistance will be mainly for court cases rather than strikes, the FDA will probably support proposals for campaign, for inter-union

support, and for a levy of 10p But it will not back recommendations that unions should not take part in ballots on crosed shop agreements, or that they should reject Government money for union ballots:

#### **ENERGY REVIEW**

### Buyers' market in the international coal trade

By Martin Dickson, Energy Correspondent

**EEC COAL IMPORTS** 

THE LONG-HERALDED expansion of the international coal trade is getting under way—but with a modest, slow-moving momentum rather than a dramatic boom.

Provisional figures suggest that the international coal trade in 1981 rose by only 3-5 per cent over 1980, from about 190m tonnes to 200m tonnes (excluding eastern bloc trade UK and U.S. exports to Canada). That compares to a growth of about 10 per cent in 1980 over 1979, from 170m to 190m tonnes. And 1983 does not look much better than last year. Trade is unlikely to grow by more than 5 per cent and that

figure could be optimistic. All this means that the great international coal boom, which has been widely billed as one much more attractive economic of the most dramatic energy proposition. As a result, power developments of the 1980s, is stations and industry subgoing to be slower arriving stituted coal for oil where than coal enthusiasts might hope. It will probably be the middle of the decade before the fired equipment. trade takes on a much steeper

flight trajectory.

What growth there was in demand. But the long lead times 1981 was concentrated in the market for steam coal, which is used in power station and industrial boilers and is the sector of the market expected to expand most dramatically over the next slowed down even more by the two decades. International trade in metallurgical coal, used by the depressed steel industry, was virtually unchanged in 1981 at electricity demand. Power con-

slackening of the pace set in compared with 1980. Yet the 1979-80 was inevitable. That electricity sector is coal's main mini-boom was prompted by the growth market.

Iranian crisis which sent oil 

It has reduced the amount of try is likely to commission four 11.5m tonnes. prices soaring and made coal a capital companies can afford to new coal-burning power stations

#### INTERNATIONAL COAL TRADE The main exporters . . .

81 Australia Poland France 29.5 Source: Eurostat/Industry

possible in their existing boilers and began to order new coal

The substitution process produced a rapid increase in involved in commissioning new plant means that much equipment ordered in the late 1970s

has yet to come on stream. The growth rate has been worldwide recession, which has had a triple effect: • It has reduced the growth of

sumption in the EEC rose a 27m tonnes last year to 24m around 115-120m tonnes. .... sumption in the EEC rose a Why the slowdown? Some mere 0.4 per cent last year

spend on coal conversion and lowered their payback horizons. reducing but not eliminating coal's competitive edge.

But the trade's unspectacular growth last year and modest prospects for 1982 hide some important regional variations in both supply and demand.
On the demand side, 1981 saw marked differences between Europe and Japan. Imports of coal by EEC countries actually fell last year-by 1 per cent from 91.6m tonnes to 90.6m tonnes. There was a rise of 17 per cent in imports from fellow community members (mainly Britain) to 20m tonnes but this was more than offset by drop of 5 per cent in imports from third party countries to 70.5m tonnes (see chart). Steam cnal accounted for 65-70 per cent

of third party imports. Factors behind the drop include the recession, an increasing use of nuclear power by the French and the existence of larger than usual stockpiles of coal-built up as a precaution against political upheavals in

Poland. This year any growth in European demand will be very modest. Atic, the French coal importing monopoly, has been planning a substantial cutback in steam coal imports because of the further commissioning of nuclear stations. French imports could drop from some toppes or less.

West German imports, by

contrast, could rise by several

million tonnes since the coun-

FROM NON-MEMBER COUNTRIES

this year. But across Europe imports at a time when Japapower station stocks remainvery high. In Japan, 1981 saw an impres-

sive doubling of steam coal im-ports—admittedly from a small base. The country's total coal imports rose from 68.5m tonnes in 1980 to 77m tonnes. Metallurgical coal purchases rose from 62.2m tonnes to 64.7m tonnes and steam from 5.2m to

nese crude steel production has been falling is due to a change in steel-making processes—cut-ting out the use of fuel oil in blast furnaces and replacing it with coke.

The rise in steam coal imports

is largely the result of the rapid conversion of the Japanese cement industry to coal-firing. In 1979 it used 3.7m tonnes, in EEC. 1980 7.4m. Power station

of emphasis in Japan's buying pattern. The country has been keen to diversify its supply sources away from strike-prone. Australia, its main supplier... Last year the Australians accounted for about 5m tonnes of the steam coal imports, with about 2m tonnes coming from the U.S., 1.5m tonnes from South Africa and 1m apiece from Canada and China. On the supply side, the most dramatic development of the

past two years has been the decline of exports from Poland and a remarkable, concommitant Poland was the world's second biggest coal exporter until the political upheavals of 1980. In 1979 it exported 41m tonnes,

8m to the West and a similar quantity to the East. much America's gain. Last year it exported a record 100m tonnes, with some 14m tonnes going to Canada and 85.5m tonnes to the rest of the world. That compares with a total of 95m tonnes in 1980 and 58m

tonnes in 1979. The build-up in steam coal exports has been even more dramatic. In 1978 Canada was virtually the only U.S. export market. But last year it sold 30m tonnes, to other countries, with 17.6m tonnes going to the

This expansion has not been

from 0.9m tonnes in 1980 to than 150 vessels built-up at the 3.2m tonnes last year.

U.S. East Coast coal ports at Denmark which took 2m tonnes There has also been a change the end of 1980 and rising deas against 500,000 in 1980, and as against 500,000 in 1980, and murrage and freight charges sent European spot prices

The introduction of a new system of registering vessels at

The most dramatic development of the past two years has been the decline of exports from Poland and a remarkable. concomitant expansion expansion in supplies from the in supplies from the U.S.

the East Coast ports of Hampton Roads and Baltimore has helped 26.4m to the West and 15m cut the queue, as has the much higher volume of traffic using New Orleans (12.6m tonnes of tonnes to other Comecon countries. Last year it shipped no more than 16m tonnes - about exports last year against 3.5m in cent this year, enough to cover 1980) and Los Angeles/Long much, if not all, of the 1980) and Los Angeles/Long Beach on the West Coast (4.8m tonnes in 1981, 1m in 1980). queues have not been elimin soft. ated entirely. Earlier this

month there were still 39 vessels queueing off Hampton Roads, totalling 3m tonnes deadweight. Exports from Australia have also risen sharply during the past 12 months—despite a succession of strikes which have hit the mines, railways and ports. The country shipped a record 50m tonnes last year—a 7m tonnes rise on 1980.

The increase in metallurgical demand has also been rising, trouble-free. A queue of more 1980 to 9-10m tonnes in 1981, western economic recovery.

France, which purchased 2.6m tonnes, up 1.2m tonnes. South Africa however, exported almost the same in

1981 as in 1980—around 29m

tonnes—and little change is expected this year both because of market conditions and the limitations of the country's ports. Richard Bay, its main export terminal, handled 27m tonnes last year—just about ils maximum. But an expansion programme means that by 1983 Richards Bay should be able to handle 34m tonnes, with the total rising to 48m tonnes by

The upshot of all these supply/demand factors is that the world's coal exporters should have little difficulty in meeting any foreseeable increase in demand during 1982. The U.S. alone is hoping to increase sales abroad by 10 per increased coal burn in Europe and the Far East. The market Nevertheless, the East Coast is therefore expected to remain

> prices. The spot prices of stead coals delivered into the West European entrepots of Amsterdam. Rotterdam and Antwerp have plunged from more shall \$70 a tonne early last year to distress sales in the \$50-\$55 a tonne range now, while contract prices are in the \$80.\$65 a tome

range.
At the moment, then, the cos The Polish crisis also allowed trade is a buyers market and Britain to boost its coal exports looks like remaining that we from less than 5m tonnes in until there is a sustained rsing
ions to
the fresh
y appeal

trike thre

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arch 24 1982

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Financial Times Wednesday March 24 1982

THE GOVERNMENT yesterday whose Royal Navy training bases but formed, Mr Pattie added. rejected suggestions that the ing cost of the Trident nuclear

Under-Secretary, faced angry Commons Library, protests from MPs, at Question For the Opposition closures had been announced.

There were jeers as, in dealing with a question about shipping orders, he said that Mr
Peter Blaker, Minister of State

"Before for Defence, would be announc-

HMS Excellent, HMS Vernon and the Fraser Gunnery Range at Portsmouth, and HMS Fishgard at Torpoint, in the years

Naval personnel and MPs

#### Jenkins attacked by Tory and Labour hopefuls

Scottish Correspondent

THE CONSERVATIVE and Labour candidates turned on Mr Roy Jenkins of the Social Democratic/Liberal Alliance in the final phases of the Glasgow

Hillhead by-election yesterday. Their attentions may have reflected anxiety about Mr Jenkins' improved showings in recent opinion polls showing he



At Mr David Wiseman's Press

conference Mr Bruce Millan,, Labour's Shadow Scottish Secretary, said the area needed an active local MP after suffering from neglect by its Conserva-tive member for years.

The Hillhead seat became vacant on the death of Sir Thomas Galbraith, the sitting Conservative member for Glasgow's only Tory seat.

Mr Millan said: "There is a transference feeling that leading in

strong feeling that Jenkins is the Home Secretary Mr William an outsider with no real feel or Whitelaw wit ha call to reintroreal interest in the con-duce caning and birching. stituency.'

He said Mr Jenkins had a poor Committee stage of the Criminal reputation as an MP in Birmingham and added: "I don't believe he is interested in Glasgow or Scotland or in the local issues, Vivien Bendall and Mr John Scotland or in the local topology vivien. Defined an amendment carlisle, tabled an amendment that this is so."

Mr Gerry Maione, the Conservative candidate, said he had tough speech on Monday night spent all his working life in to a packed meeting of the Tory Glasgow and knew the problems home affairs committee has

of the constituency.

Had the Beaconsfield constituright-wing attempts to disjodge ency failen vacant at the same him, the campaign shows little time as Hillhead would Mr signs of flagging. Jenkins have ventured across the border into Scotland? he

"I very much doubt it. Roy Jenkins is not standing for Hillhead because he wants to represent Hillhead, but because he wants to get back into parlia-

Hillhead just happened to

Mr Jenkins, at his morning get-together with the Press, referred to the unholy alliance between Labour and Conserva-tives against the SDP.

The Alliance candidate had earlier predicted a two-horse race, but today was unable to name the second horse. The targets and topics of the daily news conferences by the than 9 czs and that the birch four main parties in the by- twigs should not be more than election have underlined the six inches in their total circumdifficulty in identifying whether ference. personalities or issues will pre-dominate in Thursday's poll.

Mr Pattie said a copy of the cuts were caused by the escalat- message to the Fleet, which Admiral Sir Harry Leach, First attrition, and the navy would Mr Geoffrey Pattie, Defence would also be placed in the

For the Opposition Mr Denzil Time, about the way the Davies accused Mr Pattie of lacking the nerve to give the news in a proper Commons

mantles the Royal Navy even understand the document. written reply.

Mr Pattie also rejected a 4,000 job losses abnounced on the tape today—shouldn't you have had the courage to come the closures of HMS Phoenix, the Closures of HMS Phoenix, the House and make 2 states the courage to the House and make 2 states the course it a feature it a fea further-and we have had some ment, because it affects so many for Trident for Trident "I do not accept your con-

He urged the Government to price to pay for Trident." Mr rethink its defence strategy, Pattie told him. which appeared to be based on Mr Alan Clark (C Plymouth

constituencies were the idea that a war in Europe Sutton) complained to the sense that the navy should were being kept in would last only a few days. Speaker, Mr George Thomas, manage that programme because confirmed the closure of seven affected were being kept in- would last only a few days. " It would make more sense to

assume that if war were to come it would be a war of plans. Sea Lord, had issued earlier, have to play a very important part, especially in the East Atlantic," he added.

Mr Pattie said the decisions announced followed the policies outlined in the Defence White Paper last July and Mr Davies' version of the Government's "Before the Government dis- strategy suggested he did not

tention that this is part of the. Mr Alan Clark (C Plymouth

about the way MPs had been informed of the Government's

The assurance that local MPs would be kept informed did not allow them to question ministers immediately about the closures, he said. Later, Mr Blaker also denied

any link between the cost of

the Trident programme and the

"The announcement nothing to do with Trident," he said. "The defence review of last year took place to deal with the problems of that time Trident was costing practically nothing."

On the naval estimates Mr Blaker said: "We have a defence budget, we budget for defence purposes.

We have a separate pro- should have many space for Trident. It makes oral statement.

the navy will be manning Trident.

Commons Sketch

Tartan boom

upstaged by

invasion of

the 'Steptoes'

MR MICHAEL FOOT was in

Hillhead yesterday drumming

up support for the Labour

Party in tomorrow's by-elec-tion. For her part Mrs That-

cher decided to do her elec-

tioneering from the Commons

by using Prime Minister's

Scotland.

Unfortunate suggestion

Cabinet

Yes. unti

obvious

smelter a

"But it does not follow that if we were not to have Trident the naval programme would be any different."

As Question Time ended, a number of MPs protested at the lack of any opportunity to question defence ministers. Mr Dick Douglas, (Lab Dun-

fermline) who has constituents in the Rosyth Dockyard, comszorg" zsw ji janft benisiq disrespect of the House," to give such details in a written Another

from Sir Frederick Burden (Con Gillingham) whose constituency includes Chatham Dockvard.

He said the Government should have made a Commons

### Thatcher sets sights on by-election votes

Hillhead by-election quickly emerged as the primary target when the implications of the He contended that the Primary target when the implications of the He contended that the Primary target with the primary target when the implications of the He contended that the Primary target with the primary target with the primary target when the primary target with the prim latest evidence from the econo-Commons yesterday.

fact that figures published cut to earlier in the day showed un trayed. employment to have fallen. Mr Healey went on to taund below 3m was not just good the Prime Minister over the for everybody

Tory call for

cane and birch

Although Mr Whitelaw's

taken some of the heat out of

Almost 100 Tory MPs have signed a motion in support of

capital punishment, an issue which will almost certainly be

put to the vote on the floor of

the Commons during the Crimi-

nal Justice Bill's Report Stage.

it was vital to teach

By Margaret van Hattom, Political Staff

return to

VOTES in tomorrow's Glasgow figures showed that unemploy-

Treasury had already provided mic front dominated Prime information confirming that the Minister's Question Time in the major promise on which the ommons yesterday.

Government won the 1978 cause the determinance of the Thatcher claim that the general election—the pledge to and other.

Mrs Thatcher claim that the general election—the pledge to and other.

The Prime Minister retorted had

"collapse of law and order" extremely good news for under her administration, and recalled her admission last She explained that the figures week, that she is unable to for Scotland were on the whole influence the amount of serious

for Scotland were on the whole better than those for many of the other regions.

would be ahead in Thursday's vote. So they aimed their blows where they thought it would hurt most: at Mr Jenkins' prospects as a local MP.

for Scotland were on the whole better than those for many of the other regions.

In a scaraful reference to the critics of Mr William Whitelaw, he called on the Prime Minister to morale in problem and standing in for Mr Michael to "pluck the dagger out of the Foot, who had already left for Home Secretary's back" and prospects as a local MP.

Hillhead, insisted that the latest tell her supposters in the Tory in the said no-one had done more the improve the pay and morale in problem. The scotlish unemployment for Scotland were on the whole the thought of the other regions.

In a scaraful reference to the critics of Mr William Whitelaw, he called on the Prime Minister ment was "good" she insisted. Unemployment in the United Stantial reduction both on an Unadjusted and on a seasonal basis.

that the Government had repaid large amount of overseas dent which had accumulated ander Mr Healey's "dis-graceful leadership" as Chan-cellor of the Exchequer. Warney praising Mr White-law, she said no one had done

"guter press" to cease November 1979.

Undeterred, Mr Healey Undeterred, Mr Healey reiterated his charge that, on the Prime Minister's own admission, the promises on Agriculture Minister, that unconfloyment was a major last election had been broken, cause of the deterioration in law and officer. cease November 1979. tion, law and order, and the continued rise in unemploy-

> Mrs Thatcher countered: "At least my administration has not got the nation bankrupt, as you

Earlier, Mr Michael Ancram, chairman of the Scottish Conservatives, set the stage for the Prime Minister to emphasise the "good news." The Scottish unemployment

### MPs reject gas export move

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT yesterday the original Bill under which indicated that it has no exports of gas will not be per-immediate plans to allow the mitted until Ministers give export of gas. Energy Ministers notice of consent.

opposed a Tory back-bench move Mr Skeet claime TORY BACK BENCHERS yesterday kept up the pressure on to allow sales overseas. This came on the final day

of the Committee Stage of the Oil and Gas (Enterprise) Bill, when Mr Trevor Skeet, the Tory The issue was raised in the MP for Bedford, proposed an amendment allowing the export of gas directly from the UK. Justice Bill, where seven Tory MPs, including prominent lawunless this was vetoed by Ministers.

two other Tory members this seemed appropriate to the abstaining. The Opposition Energy Secretary, he would voted with the Government have the powers to permit such against the motion.

This leaves the proposal as in legislation.

Mr Skeet claimed this power was contrary to the Treaty of

Rome. This point was disputed by Mr David Mellor, the Parliamentary Under-Secretary at the Department of Energy, who maintained that nothing in the landing requirements for gas conflicted with European law. Mr Mellor argued that it would be wrong to anticipate

The move was defeated by from domestic sources were 14—2 (Mr Skeet and Mr Peter sufficient to permit such two other Tory MP) with exports If the time arose when exports under the proposed

The Government's argument is that at present there is not sufficient supply to commit exports, and that the balance of reserves between the UK and gas-exporting countries is such as to make this unlikely in the immediate future. However, Ministers claim that

the ending of the British Gas Corporation's monopoly buying powers will stimulate new supplies of gas which may change the balance in the domestic market via further exploration and production.

It was pointed out during discussions that negotiations will continue with Norway about the provision of pipelines to transmit Norwegian gas visable UK and re-export it to sits

Lords urge oil stocks curb on prices

BY RAY DAFTER, ENERGY EDITOR .

A COMMITTEE of the House of Lords has called on oil-consuming countries to use compulsory stocks to keep down shortfalls would trigger the

Supporting the amendment, Mr Carlisle said yesterday that hooligans and skinheads" a lesson they would not forget. event of a shortfall in world-wide oil supplies compulsory stocks should be released. This The amendment sets out in considerable detail the specifications of the canes and birches the MPs would like to see used. would help to moderate any movement towards fast-rising

These, copied from those used in the Isle of Man, specify that birches used on children aged "Only in this way will subcrisis.

traders have the confidence to A policy of using stocks refrain from speculative or should be agreed immediately patic purchases which both and widely publicised on the anticipate higher prices and understanding that the plan over 14 should not weigh more

The proposal was rejected by 17 votes to 4.

COMMITTEE of the House than 7 per cent even though to make data more easily com-Lords has called on oil- such "sub-crises" were more parable.

suming countries to use likely to occur. More serious

Oil companies required by prices of crude oil.

The European Communities ment of the International committee says that in the Energy Agency.

The report concludes that: Government intervention rather than market forces should be the basis of sub-crisis policy.

Stocks should be used in a

cause them to happen." says a would be implemented as soon report published today.

The committee says there is International information no policy for a shortfall of less systems should be harmonised Crisis. SO £3.95.

governments to depart from normal business arrangements should be protected from proceedings under commercial law. • A ceiling price for oil pur-cases should be rejected as part of a sub-crisis policy.

● The European Economic Community should provide a forum where member states cruiser when fergigners could formulate a common started playing up like this policy to be promoted in the Mr Eric Ogden (Social Demo-International Energy Agency. Ninth report of the House of Lords European Communities Committee, Session 1981-82: Policies for an Oil Supply Sub-

#### Local income tax sought with call to scrap PAYE

BY ROBIN PAULEY

THE PAYE tax system should view was that domestic rates be abolished and replaced with should be retained and supplebe abolished and replaced with self-assessment to enable a local income tax to be introduced, Prof Christopher Foster, director of Coopers and Lybrand, management consultants, said yesterday. He told a Commons select

committee on the methods of financing local government that the best solution to local councils' financing problems would be to supplement domestic rates as soon as possible with a local This made no sense unless the

PAYE system, which existed in virtually no other country except Ireland, was scrapped and replaced with a pay-as-yougo system for all central and local income rexes.

Any attempt to introduce LIT in conjunction with PAYE would cost more than £100m, said Prof Foster, who is visiting professor of economics at the London School of Economics. PAYE cost about £500m to collect a year and this probably could be halved by switching to self-assessment, he said.

He also proposed using the was not strongly committed to different taxes to pay for LIT as soon as possible was the different services rather than different tiers of government. Groups wanted it immediately, different tiers of government.
He denied that this would confuse councils and rate-

The Association of County body had tested the Inland Councils said in evidence to the Revenue's "extraordinary" committee yesterday that its claim that an LIT could not

majority-but not unanimous- be introduced before the 1990s. ..

mented with a poll tax in the short-term and LIT in the longer-term. The association believed a poll tax of about £25 a head

could be levied by nonmetropolitan districts, which would enable them to pay for all services independently. The county councils could levy reformed rates to pay for their tier of services. In this way, ratepayers would understand clearly who they were payingand for what.

However, it became clear under persistent questioning by Mr Reg Freeson, chairman, that the ACC is undecided about government finance's The Conservatives and the

minority Labour group disagree on virtually every front - except the need to retain and reform domestic rates, and the Conservatives are divided among themselves. Mr Ian Coutts, chairman of

the ACC local government finance committee, admitted that the reason the association others not at all, Mr John Lovill, chairman of

Mr Luce mumbled that the defend the inhabitants. man Mr Denis Healey seemed

Australian navy.

earlier, Mr Dennis Canavan (Lab, Stirlingshire West)

### Select committee urges changes in MPs' pay rules

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

pay in the fourth year of every Welcoming the latest figures parliament with a view to mem-which show unemployment bers approving an increase to earnings. below 3m she emphasised that come into effect the following But the

Financial Times Monday March 22 1982

on the whole the trend was parliament.
better in Scotland than in. In between In between reviews, the comthe other regions of the UK. mittee said, members' salaries, yes, she gladiy confirmed, it should be linked to rises for was true that orders for Scotthose earning roughly the same. The annual settlement date, it said should be moved from June to the beginning of the pay round in November. The committee failed to deal

was true that orders for Scotland were niking up and only last week a further one had been amounted. Presumably this was a reference to the £50m contact for an Oman power staten won by John Brown Laineering which, surprise, Exprise, is near the Hitlhead Constituency. with the key issue of what to do when the Government, as has happened in the past, fails to take account of the views of the House on members' pay.

the Government hat the aluminium The committee raised the possibility of removing the Government's power to withhold smelter invergordon could be reserve by the use of hydroelectic power is still the money for increases by transferring responsibility to the House of Commons Comcussion by the ion. But it did not make nomorrow," shouted any specific recommendations.

our doubter who expected a large The report will be discussed by Ministers within the next dollop Government cash to two months, but is unlikely to have any direct effect on this year's settlement, other than After this we could hardly wait. possibly encouraging ministers for the statement from Mr Richard Luce, Minister of Statemat the Foreign Office, about the mysterious affair of the 60 Argentinian scrap to postpone this year's increase until the autumn.

by would have been sur-sed if the Minister had melessly announced the tion of an expensive naval sk force to protect the Falk-nds—all the vessels to be milt on the Clyde, naturally.

merchants who landed he South Georgia Island te Falklands, and hoisted

national flag

fract the exchanges seemed BI ELINUA GOODMAN.

Straight out of a 1950s script HOPES OF reactivating the is that the Hydro Electricity from Ealing film studios. The Argentinians, whose Government lays claim to the Falk-

infringement of sovereignty. Suddenly, everyone was swept along on a wave of chauvinism.

Tories were clearly suspicious of Mr Luce's cagey and cautious statement and detected more than a whiff of appeasement on the part of the Government.

Never a man for understatement Mr Nicholas Winterton (Con, Macclesfield) claimed it was "tantamount to the invasion of an independent

Grumpily Mr John Stokes (Con, Halesowen and Stour-bridge) observed that in the good old days when he was attached to the diplomatic service you just sent for a crait, West Derby) seemed to think that the arrival of these "Argentinian Steptoes" was part of a plot hatched in Buenos Aires and Edinburgh. Unfortunately the Speaker cut him short before we could discover whether he was about to

allege some sinister connec-tion with Hillhead Labour MPs, too, were angry over the affair. Former Prime Minister Mr James Callaghan drew cheers from the Conservatives when he accused the Government of a "gross dere-liction of duty" in recently deciding to withdraw the ice patrol vessel Endurance from the area.

Invincible

Endurance was still in the area at the moment but carefully avoided any commitment that it would be staying on to Labour's Foreign Affairs spokes-

to be enjoying himself immensely in the absence of Mr Foot. Amiably he sug-gested that the best answer might be to order the aircraft carrier invincible to drop in on the Falklands on its journey to the antipodes where it is to be sold off to the During the defence questions

had criticised the choice of Lt-Col John Blashford-Snell as the leader of the Government's scheme to give teen-agers adventure training with the army. Mr Canavan said this "madcap toy soldier" had been on many exploits around the world. Surely here is the solution to the Government's difficulties.

Why not send in "Basher".

and his lads' army to sort
out the whole affair?

John Hunt

CONTROVERSIAL proposals MPs' pay is one of the most for taking some of the political sensitive issues on the political heat out of the perennially senceted are report. sitive issue of MPs pay were documented how successive put forward yesterday by an all-governments have tried to use governments have tried to use MPs' salaries to set an example party committee. The select MPs salaries to set an example committee on members salaries to others. Twice, in an attempt recommended that in future the to take the subject out of the by using Prime Minister's Top Salaries Review Board political arena, MPs have question time to pour out a should be asked to advise on ignored the Government's advice flood of "good news" about the appropriate level of MPs' and voted in favour of some form of automatic linkage to the

> But the commiltee rejected the idea of using linkage as the sole determinant of MPs' pay. Final responsibility for mem-bers' salaries must, it said, rest with parliament.

increase in public sector

Instead it came down in favour of an independent review combined with a system of automatic linkage between reviews. Mr Francis Pym, the Leader of the House, urged that link-age should be limited to salaries in the public service on the grounds that this would be "more defensible" in years when public sector earnings rose more slowly than those in the private sector. But the committee concluded that it would be better to use a wider group for comparison. It therefore recommended linking MPs' pay to the nearest percentile in the Department of Employ-ment's new earnings survey. This, it said, would ensure that no pressure would be put on the pay negotiations of any particular category or grade. The committee argued that implementation of the interim

award in November, rather Following a three-stage imple- than as now in June, would mentation of an earlier recom- mean that the increase would mentation of an earlier recommendation by the Top Salaries be based on more recent figures. Review Board MPs now get It would also, the committee maintained, "lessen the risk of the annual adjustment appearance in July but there is no guarantee of this.

#### Ministers fail to agree on Invergorden smelter plan

BY ELINOR GOODMAN.

This did not, however, prevent yesterday's meeting. But the message coming out of the meeting was that there were formidable problems attached to the

Scottish Office's plan.

Scottish Office's plan.

Cartainly, there is flow no question of the Government making an announcement before Thursday's by election in Glasgow Hillinead. The issue is a very embarrass-

ing one for the Government in Scotland and last week Mrs Thatcher gave a delegation of Invergordon workers a clear impression that she was deter-mined to find a new power deal to keep the plant going.

At yesterday's meeting, Ministers again discussed a plan for using cheaper hydrofor using cheaper hydroelectric power to service the
smelter. The problem, which
they were imable to resolve, is
that providing cheaper power to
Invergorder would mean dearer
prices for domestic, users,
possibly as much as: 4p in the
pound exist on consumers' bills.
There is also the problem that
other impartial users in the other industrial users in the area would want a similar arrangement Also eluminium area would want a similar Trefgame, Foreign Affairs arrangement. Also eluminium Under-Secretary, insisted again producers outside Scotland might complain that they were being unfairly discriminated on something which was not a against. Another major difficulty

aluminium smelter et Inver- Board would not be able to progordon in the Scottish High- wide a continuous supply of lands seemed to be receding fast power to the plant.

that it will be some time before the Government is ready to make an announcement

Progress on Canada Bill Financial Times Reporter

THE CANADA BILL-which transfers control over the Dominion's constitution from Westminster to Ottawa-is expected to be ready for Royal Assent at the end of this week.

The measure has already com-pleted all its stages in the Commons without being changed, and the Lords yesterday completed the Committee Stage, without any alteration. Third Reading debate in the Lords is set for Thursday, which means the measure will reach

the Statute Book much sooner than Ministers had expected. Despite pressure from peers seeking specific promises about the rights of Red Indians, Lerd

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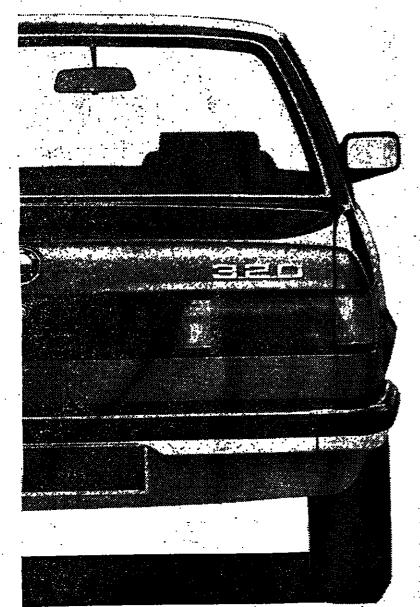
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Its spot-welds are located with the same accuracy to within one fiftieth of a millimetre.

And its bodyshell is painted with exactly the same paint in exactly the same 39 stage paint

Nor do BMW's quality control inspectors have a lower standard for their less expensive cars.

> CREATED EQUAL, BUT NOT CREATED THE SAME.

The results of these efforts is a BMW 3 Series, that, to quote Motor magazine, "feels put together with more care than is appropriate for the price"

"It is," they conclude, "a luxury car made smaller rather than a volume car made more expensive."

It's a verdict that reflects the sheer level of engineering refinement concentrated into BMWs smallest car.

The 316, for example, now sports a 18 litre engine developed from the unit that's powered so many Formula Two winners.

The extra power is used not to boost the 0-60 mph performance but to provide extra muscle in the crucial 30-50 mph overtaking phase.

So the engine emerges 18% quicker in this respect, yet overall its fuel consumption has been reduced by 5%.

The two litre 320 is equipped with a six cylinder engine, instead of the four cylinders that most two litre cars have to make do with.

Yet it's a luxury that doesn't cost you extra petrol. Over 30 mpg is possible if you try hard, or 23 mpg if you drive hard.

Finally, there's the 323i to demonstrate that you don't have to trade in your family if you want to own a sports car.

Its fuel injected 2.3 litre engine has so much torque that it achieves the almost unique distinction of going from 50-70 mph as quickly as it goes from 30-50 mph. And now both the 320 and 323i are fitted with a 5 speed overdrive gearbox as standard.

> HOLDS ITS VALUE LIKE IT HOLDS THE ROAD.

A BMW 3 Series not only asks you for less money than you might expect to pay in the beginning. It also gives you more money back in the end.

For it holds its value, on average, twice as well as other cars in its price class.

Afact which helps explain why, in a year when new car sales have generally been depressed, 60% more BMW 3 Series have been bought.

Which is why if you're planning to spend between £6000 and £9000 on a car, we suggest you send for your BMW 3 Series Information File as quickly as possible.

It would be a pity, after all, if you had to settle for an inferior car to the one you can actually afford.

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Financial Times Monday March 22 1083

Keele idea will help

### Making the best use of stored data

BY LOUISE KEHOE in CALIFORNIA

"A NEW area of computer formats. science, data base management. is starting to offer business a solution to the common problem of how to make the best possible use of information held in com-

Data-be it a client list consumer poll data, accounts records or the results of laboratory research—is one of the most valuable assets of Ermany organisations.

But the value of that informa-I tion is directly proportional to the number of uses to which it cần be put. All too often, because of what appear to be the quirks of the computer programmer it is impossible to reuse existing data for a different e purpose.

Take for example a consumer poll it was originally conducted to determine what colour of soap powder people prefer. Having found that the e answer is green, the marketing department now wants to deter-, mine where to test market the new product,

#### = Dilemma

.The data concerning locations e is in the files, but can you run .r.it through the program that analyses geographical differin buying habits? Probably not.

. This is one case in which the same set of data might do double duty for two analysis ∞ programs.

Another dilemma occurs when

A common problem for the ters. personal computer user occurs when it would be desirable to use the search functions of a personal filing sytem to look through items stored in word processing files.

#### Inaccessible

Because each of the programs organises its files in a different way, it is impossible to use the data from one with another. Even very expensive computer systems often cannot accomplish this seemingly simple task.

Unfortunately, all too often old data cannot be put to new uses, because the way it has been organised in the computer makes it inaccessible to a new program,

The solution, say the computer makers, is data management. The goal of a database management system is to squeeze every last drop of usefulness out of a given set of

Data base management has generally been achieved in mainframe computers through the use of large complex computer programs. The drawback of these systems is that the data management program itself takes up a considerable amount of storage space in the computer and ties up its logic circuits.

The database processor system announced this week by Intel avoids this problem while at the same time making the

different sets of files—or data at the same time making the ,—are organised in incompatible technique available for small

The database processor, as

the name implies, is, in fact, a microcomputer system in itself. It hooks up to a "host" pro-cessor and takes over the job of data base management.

In operation, the database processor sits between the (main) host computer and the memory system. It goes about its business of receiving requests from the host computer, finding the answer and passing it back without interrupting the other operations of the sys-

The database processor can hook up to most kinds of computer-provided an appropri- other fetches data from the

microprocessor based compu- ate communications link is de- memory system. vised. If the user changes his All the programs needed to the DB processor.

What is more important, the DB processor can be linked to more than one host. This allows, for example, several desk top computers to share a single memory system.

the DB processor in the form of a "black box"-actually it is blue. The price tag of less than U.S.\$16,000 makes it signifi- than a few cirtuit boards. cantly cheaper than alternative software systems. Intel's box, in fact, contains two 8086 microprocessors — one looks feasible, to plug it into a per-after communications while the sonal computer or desktop

host computer in some way, run the DB processor, includ-that will not have any effect on, ing the "housekeeping" operating system and the data management functions are held in special memory chips.

In the future, intel is planning to squeeze the entire function of the DB processor into a single chip of silicon but that Currently, Intel is offering is probably several years off. In the meantime, the goal is

to implement the DB processor

in a set of a few chips-rather When the DB processor reaches that stage it will become possible, and economically

### Step forward for 'software in silicon'

THE TECHNIQUE used by Intel to store computer pro-grams in chips—Intel calls it "software in silicon," others refer to it as firmware—is basically the same as that used in video games and the like where the program is contained in a read only memory (ROM) and housed in a cartridge.

Intel has, however, taken the process one step further by producing operating system chips that can be used as standard components in several different kinds of computer systems.

The approach has many

advantages, not the least of which is that it reduces the cost of the system significantly.

Another plus for the user is that the ROM is relatively indestructible, whereas the floppy disk is, for example, a very delicate medium for storing important and expensive programs.

The disadvantage—for the manufacturer—is that there is no margin for error. Software that is sealed into silicon must be absolutely correct. All the bugs that gram must he worked out

before it is committed to silicon.

That drawback is offset by

the fact that whereas pro-grams held on magnetic disks are relatively easy to copyeven if they have been " protected "—it takes consider-able expertise and some special equipment to duplicate programs held in ROMs. Intel has already said that it intends to reproduce in Silicon the CP/M operating system that is used in many personal computers and it is possible that they may one day produce silicon versions of such popular programs as

#### storage on discs BY GEOFFREY CHARLISH A SCIENTIST at the University

of Keele has come up with an idea that will enable computer users to store up to 150 per cent extra data on all types of computer discs.

The new coding system, called E40, compresses ASCII files written in English to about 40 per cent of their initial size. The system also scores well on

that a user should wait no longer for E40 than when in the conventional way. In other words, the time saved by having less to dump must be about equal to the time needed for extra processing.

The target has been reached for both mainframes and microcomputers. Versions to operate under operating systems CP/M. OS4000 and RT11 are available or soon will be, and others will follow.

There are obvious advantages. Discs take longer to fill, reducing library sizes. Disc changes are fewer, accessible space is increased (so that the The target performance was user's allocation of bulk storage is effectively doubled) and transmission speed goes up making back-up copies of discs since output to tape, telephone or network station takes half as

More from Andrews et the University of Keele (0782 621111).

### Machine tool system | WOFKING INCOME. IN STATE | DECENTION OF STATE OF STAT

OPTIMA LOSIC, based at St At the heart of the system Helens. Land, claims to have is a computer developed by developed around company set up originally to company set up originally to system captile of transcribing company set up originally and engineering drawings into produce computers aimed at machine took tapes. the growing education market.

machine top tapes.

Costing taper £1.500, Optima says its system can be used by people of affering disciplines such as machine tool setters or production engineers. level

language specially neveloped for the machine uides the user e stages needed to through.

The Positron micro was developed over a two-year period with £250,000 backing from the Technology Group the Anglo-American British through Venture Fund. Production of the computer began in January, More information on 061-228

#### working machine THE WIDE applications of a

sheet metal

for building products. heat exchange, fluid power, special-purpose valves,

general engineering, refined and wrought metals.

Versatile

IMI pic.

England

Birmingham,

copy and co-ordinate nibbling machine are combined with the high working speed of a punch press in the new model CS75 from Trump Machine Tools (0727 31111). The result is a highly versatile sheet metal-working machine that can

The operator uses a stylus or tracer pin mounted on a guide rall which is moved round a template for nibbling or is used as a spot locator for hole punching.

Multiple stroke rates, adjustable stroke length and electrical positioning of the ram allow the CS75 to handle such specialised applications as slotting, shearing louvring, beading, folding and peching.

#### **Transmission** coupling

A DRY powder transmission coupling, which, it is claimed, offers 30 per cent greater handling and longer life than other units has been introduced by Van de Graaf of Bradford.

The Granulock coupling uses a double bladed rotor with alternate ploughs which cir-culate the fransmission medium of 0.6 mm shot. This disperses frictional heat arising from slippage on high inertia loads or any other overloading.

Full details from Van der Graaf, Otley Road, Baildon, Shipley, Bradford (0274 595826).

#### Cable repair

NEW from 3M is a cable sheath repair kit employing a flameretardant resin for use in hazardous areas. Called Scotchcast, the kit can be used on fiscible or non-fiscible values on site without vulcanisation. More on 0344 58305.

### How to hit the right note—the Casio electronic music way

BY ELAINE WILLIAMS

read music and play faultlessly last set indicates the chord what is left for mere mortals to accompaniment.

tronics company better known a teaching aid. It can guide the for its calculators, believes that player through the tune by its new electronic keyboard will stimulate people to learn to play diodes, LEDs, positioned over musical instruments.
The Casiotone 701 is claimed

It to be the first instrument of its wrong note is pressed out of si kind which can read coded Er music using a light pen. The music is coded digitally tune can be finished.

in supermarkets.

IF A MUSICAL instrument can the speed or timing, and the

The music can be played back Casio, the Japanese clec- automatically or can be used as illuminating small light-emitting each note on the keyboard.

No sound will be made if the sequence, so that the novice has to hit the right note before the

Tas black and white stripes. But the instrument, costing which closely resemble bar only £495, is more than a codes commonly found on time teacher it is also a professional instrument with all the features Each row of stripes provides of a conventional electronic key-the computer with different board offering 16 different information. One set gives the rhythms from waltz to boogie which it has note sequence, the second sets woogie and tonal variations to in the UK.

turn the instrument into a flute, organ, oboe or 16 other musical instruments. In addition, it can be used

to create and store original music. Five special programme buttons allow the player to record melodies and the accompanying chords.

#### Traditional

While the computer is playing back the music in its memory, the player can also use the keyboard, effectively playing a duet with the instrument.

The company decided to attack this market because of the decline in growth of its traditional calculators and watch business. It sees an opportunity for growth in musical instrument and personal computers. which it has yet to introduce

Casio has entered the music organs or very cheap ones, but making business at a time when the industry overall has been doing badly. It introduced its first electronic keyboard only 18 months ago and now has about seven models on the market

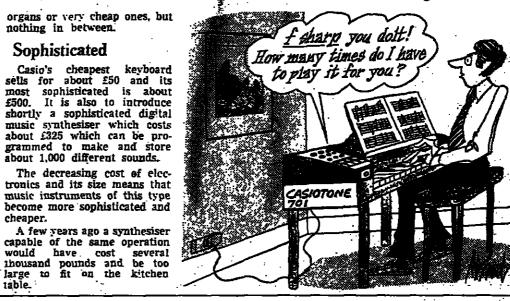
According to Mr Dave Caulfield, sales manager of the Casiotone division, in the first year. UK sales of keyboards will be £7m and demand for the company's products are presently outstripping supply.

Without taking Casio's performance into account, the total organ market is estimated to be worth about £20m in the UK. However, Mr Caulfield said that Casio's success is because its products, like those of its main rival Yamaha, fit into a

previously untapped sector of the market. He said that there were either very expensive table.

nothing in between.

Sophisticated



### **COMPANY NOTICES**

#### LONDON AMERICAN ENERGY N.V.

Notice to Bearer Shareholders

Notice is hereby given that the Annual General Meeting of London American Energy N.V. will be held at Pietermaai 15. Willemstad, Curação, Netherlands Antilles on Tuesday, 20th April 1982 at 10.00 a.m. to consider and, if thought fit, to pass resolutions for the following purposes: -

1. to approve the balance sheet of the Company and the consolidated balance sheet the related consolidated statements of income and retained earnings and changes in financial position of the Company and its subsidiaries. together with the respective Notes thereto and the Accountants Report thereon:

2. to approve the payment of a dividend of \$20 per share; 3. to contirm the appointment of the Directors and approve their remuneration as provided in the Private Placement Memorandum dated 29th June 1981; and

4. to re-appoint the Auditors and authorise the Board to determine their remuneration.

1. Shareholders are entitled to appoint a proxy to attend and vote in their stead at the Annual General Meeting and at any adjournment thereof. A proxy need not be a shareholder but must not be a Director or a person employed by the

2. The required quorum for the Annual General Meeting is shareholders present in person or by proxy representing not less than tive per cent, of the outstanding shares of the Company.

3. Bearer shareholders who are unable to be present at the Meeting are requested to deposit their certificates for bearer shares with, and to complete a proxy form in accordance with the instructions printed thereon available at, the offices of any one of the paying agents - J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS or J. Henry Schroder Bank & Trust Company, One State Street, New York 10004. or Banque Générale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg.

London American Energy N.V.

24th March 1982.

GRASCAN LIMITED (GREOrpgrated under the laws of Canada) NOTICE IS HEREBY GIVEN that the Board of Directors of the Company has declared a quartery dividend of forty cents (40 cents) per share sin Canadian funds) on the company of Cass A. Class B and Class C. Convertible Ordinary shares without nominal or par reluce payable April 30, 1982, to shareholders on record at the Close of business on April 1, 1982. The dividend payable on Class A. Convertible Ordinary shares represented by share warrants to be care will be paid only against surrenders will be paid only against surrenders will now, 154, 1960, 19

1000 Brussels

Morgan Guaranty Trust Company
of New York
35. Avenue des Ars
1040 Brussels.
Dated 81 Toronto. Canada. the 10th day
of March. 1982.
By Order of the Board.
Wice-President and Servetary.
The transfer agents of the Company are
National Trust Company. Limited. Overgies
and Hallian. Canada. Servetary.
Chapter of the Company are
New York. N.Y. U. Chapter, N. Chapter,

RATE NOTES DUE 1988

NOTICE IS HEREBY GIVEN that the rate of interest for the period from 25th March, 1982 to 27th September, 1982 has been have at 15' or per cent per annum.
On 27th September, 1982, Interest of U.S.S. 79.1146 per U.S.S.1000 nominal amount of the Notes and U.S.S791.148 per U.S.S10.000 nominal amount of the Notes will be due against interest Coupon No. 3.
SWISS BANK CORPORATION Agent Bank

NACIONAL FINANCIERA, S.A. U.S.\$125,000,000 FLOATING ble at the Notcholder's Option to 1991

> S per cent Second Preference Shares; Couppe No. 106, due April 1st. 1982 at the rate of \$5.25.—
> Coupon No. 107, due April 1st. 1982 ordinary Shares; FRAB — BANK INTERNATIONAL

U.S. \$25,000,000 FLOATING RATE NOTES 1978-1985
According to the terms and conditions of the above mentioned Notes the interest rate applicable for the interest period of six months; beginning March 23, 1982 and ending September 22, 1982, has been fixed at 15°25 per amount. SANQUE INTERNATIONALE
A LUXEMEOURG
Sockets Anonyma
Trustee

ENTE NAZIONALE PER L'ENERGIA ELETERICA

Bonds for the amount of Ecu 2.832.000 have been drawn on March 10, 1982 in the presence of a Notary Public for redemption on May 1, 1982. The drawn Sonds are those, NOT YET PREVIOUSER REDEEMED, included in the range beginning at 56712 incl.

They are redeemable, corpon due May 1, 1983 and following attached as from May 1, 1982. Amount purchased in the market, Ecu 2.568,000. Amount purchased in the market, Ecu 2.568,000.

Dutstanding drawn Bonds:

19390 to 19392 incl.

19390 to 19392 incl.

N.Y. ENGELSCH-HOLLANDSCHE BELEGGINGS TRUST (English and Dutch Investment Trust)
established in Anglordam
PARTICIPATION CERTIFICATES by Royal Exchange Assurance)

Jacquet to the rates ruling on 1st April 1982 to 30th 1982 the dividend will be. Build in Stephenber 1982 the dividend will be. Build in Stephenber 1982 the dividend will be. Build in Stephenber 1982 the consentation of the commons. Commons resented the rather of exchange ruling on the 1st day of exchange 1982 the offer for the 1st day of exchange 1982 the offer for the 1st day of the presented at the offer of Hill Samuel & Co. Limited in 1986 from Hill Samuel & Co. Limited and must be left three clear days for examination.

M.V. INGELSCH-HOLLANDSCHE BELEGGINGS TRUST (English and Dutch Investment Trust)
established in Amsterdam

54% FIRST CUMULATIVE PREFERENCE
SHARES
54% SECOND PREFERENCE SHARES
ORDINARY SHARES
NOTICE IS HEREBY GIVEN that Payment
on the following Disigrents having been
duly authorized, the relative coupons may
be presented at the Offices of holiandae
Koopmansbank N.V., Sarphalistraat 142,
1017 WS Amsterdam, for Payment on or
after Agril 1st. 1932,
5 per cent First Cumulative Preference
Shares.
Coupon No. 166, due Agril 1st 500

at the rate of \$5.25.

at the rate of \$5.25.

Ordinary Shares:
Coupon. No. 32 at the rate of Coupon. The United Kingdom and other countries with which The Netherlands have consult their bankers in order to obtain their dividends free or sardy free of Dutch Olvidend Tax. Coupons forwarded from the United Kingdom who only on the Coupons forwarded from the Coupons forwarded from the Coupons forwarded from the Coupons in Inforce in the Netherlands.

The Management.
HOLLANDEE KOOPMANSBANK N.V. Sarphanistrasi 14s.
1017 WS AMSTERDAM
March 23rd, 1932

(E.N.E.L.) 71% 1971/1986 ECU60,000,000 Loan:

SAVE & PROSPER (JERSEY)
COMMODITY FUND LIMITED

NOTICE OF MEETING
NOTICE IS HEREBY GIVEN that the shith Annual General Meeting of the Company will be held at Dolphin House. Colomberic, St. Heller, Jersey, Channel Slands, on Monday 17th May 1982 at 72.15 p.m for the following purposes: 17. In receive and consider and if thought and of the Auditors and the Statements of Account for the year ended 31st. and of the Auditors and the Statements of Account for the year ended 31st. 2. To re-elect air. D. H. Mailtiand, who was appointed a Director on 11th December 1981. 2s a Director of the Company, in accordance with Article 96.

Company, in accordance with Article 96.

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CAISSE NATIONALE DE

L'ENERGIE

Public Corporation of the French State (Law of April 8th, 1946)

Head Office; 17, Rue Caumartin, PARIS (Seme)

94% BONDS 1975-1985 OF U.S.\$1.000

NOTICE TO CREDITORS

SAINTOC LIMITED (in Voluntary Liquidation)

5th March 1982.

The Fiscal Agent
KREDIETBANK
S.A. Luxembourseolee Lexembourg, March 24, 1982

NOTICE IS HEREBY GIVEN that a gross dividend on the Participation Certificates of fis.495 (four figrins, and intertive cents) will be payable in Sterling on orafter 1st April 1982 against prescribing of coupon so. 32.

The dividend will be payable as follows, subject to the provision of the appropriate Netherlands Tax affidavit where ary.

Certificate Holders who are subject
United Kingdom Income Tax, less
per Cent Netherlands Withholding
and the United Kingdom Income
at 15 per Cent on the gross
Lend. orvisend, to residents of other countries with which The Netherlands have concluded tax agreements, under deduction of 15 per cont Netherlands Withholding Tax. rax. esidents of all other countries, lass per cent Netherlands Withholding

Exercising the right of redemption they reserved at the time of the ISSUE. CAISSE NATIONALE DE LENERGIE cancelled 3,200 repurchased bonds 1,600 of which allocated to the redemption of April 30th, 1981 and 1,600 to the redemption of April 30th, 1982, representing the aggresate nominal value of U.S.S.1,600,000 provided for each period. examination.
Coulons will not be accepted through
the post.
ROYAL EXCHANGE ASSURANCE,
ROYAL Exchange.
Royal Exchange. Outstanding amount: \$.5,\$33,500,000 Fiscal Agent BANQUE NATIONALE DE PARIS

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the Fifth day of April 1982, to send in their names Coupon No. 106, due April 1st, 1982 at the rate of 8s.25

of April 1982, to send in their names and addresses, with particulars of their debts or claims, to the undersigned Mr Anthony Newton of Box 2A. Eagle Star House, 28-36 Carver Street, Shelled, S1 4FS, the Liquidator of the Company: and, if so required by notice in writing by the said Liquidator either personally or by their Solicitors to come in and prove their said debts or claims at such time and place—as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proven.

Datad this 16th day of March 1982.

A. NEWTON.

Liquidator.

shortly a sophisticated digital music synthesiser which costs about £325 which can be programmed to make and store

> The decreasing cost of electronics and its size means that music instruments of this type become more sophisticated and cheaper.

about 1,000 different sounds.

A few years ago a synthesiser capable of the same operation would have cost several incusand pounds and be too large to fit on the kitchen

#### RESIDENTIAL PROPERTY

**SWITZERLAND** 

Freehold property for sale to foreigners. We have a wide range of villas and apartments in

some of the most select locations.

Choose from mountain or lakeside resorts. Excellent financing terms available. For advice and assistance, call Immobiliere

de Villars SA — ask for Mr. Christian Marich.

We will be pleased to help. Immobiliere de Villars SA + Sodim SA PO Box 62 1884, Villars s/Ollon, Switzerland Telephone 010 41 25/35 35 31 Telex 456213 GESE CH

**SWITZERLAND** THERE IS GROWING CONCERN IN GREAT BRITAIN THAT EXCHANGE CONTROLS WILL BE ENFORCED AGAIN!
FOREIGNERS can buy apartments freshold on LAKE GENEVA, in Montreux ager Lausenne, or all-year-round resorts: S Cergue near Geneva, Villars, Verber. Les Diablarats, Leyen, etc. FINANC-ING 50-70% AT LOW INTEREST RATES. Also quality properties in France: Apartments in EVIAN on the lake, approximately 35 mins, from Geneva, and luxurous villas, VERY NEAR THE BORDER OF GENEVA, built to your specifications.

tions.
Advise area preferred.
Write to: Developer, c/o Globe
Plan SA, Mon-Repos 24, 1005
Lautanne, Switzerland. Tel: (21)
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FINANCIAL TIMES

#### **GARDENS TODAY**

### Alpines which need no rocks

BY ROBIN LANE FOX-

makes a fine pair for it. I do

not know the American story

lines as make-up.
Last year, I admired a fine

mass of that old pink rose Queen of Denmark under-planted with these softly-

coloured flowers. They flourished in its shade and left

some elegant leaves to block out

the weeds for the rest of the year. Though sold as alpines

nowadays, they have nothing to

do with mountains and need no

The well-known Hypericum, however, is a more serious alpine plant. This will startle

ese of you who know and

dislike that familiar Rose of

Sharon, surely one of the dullest expanses of green leaf

and golden-yellow flowers which

a garden can contain But else-where in the family lurk some lovely small shrubs, well suited

to walls or the edge of borders

tested them, but it only skimmed the edges of my favourite variety from Mount

flowered hypericum which only

grows a few inches high. It has smaller flowers on the Rose of

Sharon model, but it proves

what a paler colour and grey leaf can do for a dreary sort

lemon-veliow

rocks.

Olympus.

This is a

AT LAST there are some rain and mud at its high a remarkably pretty edging for Citrinum, it is a good buy for flowers about and if the best of them are only a few inches high, that suits my own

Alpines enjoy a curious status mong many keen gardeners. only, or else they think them in flower.
rather common—little better All three than the rocks and heathers with which they keep company. Alpines do not need rockeries at all and most of them are splendid plants for the front of a border.

Satile

et metal rking chine

Simming

refrancishere

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3 17 EL

TIMES . gakh<sup>5</sup>. <sup>g\*</sup>

A STATE OF THE STA

Dling

The specialist catalogues seem to include fewer true alpines each year and more plants from moors, meadows, forests or the propagating-frame which are sold as good garden value.
I believe that these small

plants like very sharp drainage and usually prefer a very rich soil mixed with its own bulk of gravel. Wet weather destroys them more often than frost, though slightly less often than slugs. They need little space and can be weeded easily in a self-contained bed or wall. For a small cost, you can enjoy growing something different. This week, I am enjoying the last flowers on the plant whose display beats all others in springtime at a height of only three inches, Away from direct sunlight, this cushion of greygreen leaves called Saxifrage Jenkinsii will spread into a or nine inches wide and will selected wild violets will never cover itself in open shell-pink flowers. One plant can throw second best.

up as many as 50 buds. It is even better in a shallow pot where you can admire it at could not help being called eye level, but it is totally hardy Freckles, but the poor thing outdoors and only bothered by puts a brave face on it and is of plant. Sold as Olympicum

BBC 1

6.49-7.55 am Open University

(Ultra High Frequency only).

9.05 For Schools, Colleges. 12.30

pm News After Noon, 1.00 Pebble Mill at One. 1.45 Chigley.

2.01-3.00 For Schools, Colleges. 3.53 Regional News for England

(except London). 3.55 Play

School. 4.20 Mighty Mouse. 4.25

Jackanory. 4.40 Take Heart. 5.00

John Craven's Newsround. 5.10

6.00 Regional News Magazines.

6.50 Fame (London and South-

7.20 The Wonderful World of

9.00 News. 9.25 Sportsnight: Football

10.25 Parkinson and his mid-

11.13 News Headlines.

11.15 A Question of Guilt—
strange case surrounding

week guests.

programme to choose the

song which will represent the UK at the Eurovision

from Spain — Athletico

Bilbao v England XI and

from Paris, France V

Northern Ireland; World

Championship Boxing from Atlanta City.

ig For Europe '82:

Grandad. 5.35 The Perishers.

5.40 News.

6.25 Nationwide.

East only).

Song Contest.

season. I have never found a a shaded border. The flowers better variety in its particular verge on a shade of grey-white branch of the big Saxifrage and milk-blue but they are family nor is there any easier charming and unusual when to please. The deeper pink Cran-you notice them, some two or bourne and the recent Valerie Either they fear that they are Finnis run it close, but neither fresh green leaves. The so-difficult and suited to specialists is quite so vigorous or prolific called Confederate Violet difficult and suited to specialists is quite so vigorous or prolific called

> All three are Kabschia saxifrages, a name which covers the behind its name, but I enjoy it varieties with those firm as a plant with grey-white rosettes like hard pincushions. flowers and some deep-blue They all flower in spring and are perfect examples of alpines which take my advice and prefer a rich soil mixed half and half with fine gravel.

They are plants for a lightly shaded place and will only dis-appoint you if their collars sit in wet soil when they touch the ground. I forbear to guess which Jenkins is commemorated in pinkish plant. At 75p a time, it is a bargain from specialist nurseries like Ingwersens of Granting Fact. Grinstand Gravetye, East Grinstead,

Similar sources will supply you with two spring violets which any patient gardener would enjoy. These are not, I fear, the old hybrid violets which keen gardeners struggle to find and which exist no-The long drought in 1976 nowadays. The bard winter has destroyed the only two of these tested them. has higher them in the long hybrids which had followed: loyally from one garden to the next. At a simpler level, these die out and remain a pleasant

.I suppose that the one with white and blue spotted flowers

a sunny and well drained place It increases easily from cutthree inches high among good

> some good words for three of the commonest so-called alpines in the book. Yellow Alyssum, mauve Aubrieta, and that flower in a peculiarly hard shade of white, the Arabis, are national best sellers. I can quite see why. They grow freely and flower brilliantly in walls, paths or dry places. Next month they appear in a rush together and neighbours catch the idea off each other.

> Before you buy one, I would remind you of their subtler relations. Among the hard yellow Alyssum, you can find a soft buffone called Dudley Nivelle and a pretty pale lemon companion called Citrinum. They flower profusely and are not such a barsh colour. Among

Every year, the rich Bressing-ham Red appeals to me, a deep are otherwise rather severe.

Like any other group in the

tings. A group of a dozen would make a lovely underplanting, perhaps beside some bright blue flax Last, I will surprise you by Violet

circumstances when notice is given.

Aubrietas, you should not tolerate the old pale mauves now that you can buy the best named forms anywhere.

rose red whose flowers run like a dark river down a stone wall. Even the old white Arabis can look quite civilised. There are some variegated forms on the market whose pale markings light up the grey-green leaves and limit the plant's excessive vigour. They reduce it once more to a neat clump and brighten a plant whose flowers

garden, alpines keep their best varieties under the counter for those who know what to order

#### TELEVISION

#### Chris Dunkley: Tonight's Choice

A great night for those who sincerely believe that hamburgers are an improvement on tournedos, and that Val Doonican is the best thing to have happened to music since Bing Crosby. Terry Wogan presents A Song for Europe 32 on BBC 1 in which eight groups compete for the chance to represent the UK at the Eurovision Song Contest. Second prize is presumably two chances. Simultaneously ITV offer Starbust with the top of the bill filled by Ted Rogers, the first comedian in history to choose a dustbin as his partner and still come off second best.

The only programmes of any note look like being ITY's Minder and BBC 2's Chronicle. For the last two years Chronicle has been filming the dismantling of what appeared to be a simple Victorian cottage, half-thatched, half-covered in corrugated iron, in the little Sussex village of Walderton. Since 1979 it has been unfit for human habitation, but it was not being destroyed: it was being rescued by the Weald and Downland Open Air Museum n, which specialises in the preservation of traditional Sussex buildings. They discovered that most of the cottage dates from the 17th century, including the fireplace and the mediaeval roof timbers which are still black from the smake that once drifted up from the open hearth.

#### BBC 2

6.40-7.55 am Open University. 10.20-10.45 Gharbar. 11.00-11.25 Play School.

3.55 pm Landscapes of England. 4.20 The Romance of Indian Railways.

5.10 Educating the Workforce. †5.40 Laurel and Hardy in

"Fixer Uppers." 6.00 The Water Margin. 6.45 The Making of Mankind. 7.35 News Summary. 7.40 The Master Game. 8.10 Chronicle.

#### LONDON

9.30 am Schools Programmes 12.00 Windfalls. 12.10 pm Rainbow. 12.30 Movie Memories. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston, 1.30 Crown Court, 2.00 After Noon Plus presented by Mary Parkinson and Kay Avila. 2.45 The Six Million Dollar Man. 3.45 Definition. 4.15 Dr Snuggles. 4.20 Animals in Action, 4.45 Murphy's Mob. 5.15 Mr Merlin.

5.45 News.

6.00 Thames News with David Bellin and Rita Carter. 6.25 Help! with Viv Taylor

6.35 Crossroads. 7.00 This Is Your Life: Eamonn Andrews has a surprise for another unsuspecting guest.

7.30 Coronation Street.

8.00 Starburst. 9.00 Minder, starring Dennis

Waterman and Cole.

10.00 News. 10.30 "Vampira," starring

David Niven and Teresa Graves. 12.10 am Close: Sit Up and

Listen with Roy Plomley. † Indicates programme in black and white

#### All IBA Regions as London except at the following times: **ANGLIA**

Constance Kent.

1.20 pm Anglis News. 2.45 Trapper John. 5.15 Happy Days. 6.00 About Anglis. 12.10 am The Sig Question. **BORDER** 

1.20 pm Border News. 2.45 Bracken. 5.15 Radio. 6.00 Lookeround Wednes-day. 12.20 am Border News Summary. CENTRAL

1.20 pm Central News. 2.45 The Last of Summer. 3.35 A Cartoon for Adults. 5.15 Radio. 8.00 Croasroads. 6.25 Central News. 10.30 Starring William Holden: "The Wild Bunch." CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weether. 2.45 Trapper John. 5.20 Crossoeds. 8.00 Channel Report. 6.30 Bailey's Bird. 10.28 Channel Lete News. 12.10 am

RADIO 1

**GRAMPIAN** 

9.25 am First Thing. 1.20 pm North News. 2.45 The Great Depression. 5.15 Private Benjamin. 5.00 North Tonight. 12.05 am North Headlines and Area Weather Forecast.

GRANADA

12.30 pm Mr and Mrs. 1.20 Granada Reports. 1.30 Exchange Fings. 2.30 Yesterday. 2.45 The Great Depression. 5.15 Mr Merlin. 6.00 This Your Right, 6.05 Crossroads. 6.30 Granada Reports.

1,20 pm HTV News. 2.45 Fantasy Island. 3.45 The History Makers—Napoleon: The Making of a Dictator. 5.10 Ask Oscarl 5.20 Crossroads. 5.00 HTV News. 6.30 Give Us a Clue. 10.28 HTV News. HTV Cymru/Wales—As HTV West

except: 12.00-12.10 pm Ty Bach Twt. 4.15 Mr Merlin. 4.45 Y Rheitfordd Gudd. 5.10-5.20 Dick Tracy. 6.00 Y Dydd. 6.15-6.30 Report Wales.

9.00 M\*A\*S\*H.

9.25 Nancy Astor.

10.20 Out of Court.

10.50-11.40 Newsnight.

SCOTTISH 1.20 pm Scottish News. 2.45 The Great Depression: The New Deal. 5.10 Testime Tales. 5.20 Crossroads. 6.00 Scotland Today. 5.20 Action Line. 8.30 Report. 12.05 am Late Call. 12.10 The Entertainers: Elkie Brooks.

1.20 pm TSW News Headlines. 2.45
Trapper John. 5.15 Gus- Hensybun's
Magic Burthdays. 5.20 Crossroads. 6.00
Today South-West. 6.30 Scene SouthWest. 10.32 TSW Late News and
Weather. 12.10 am Postscript.

1.20 pm TVS North. 2.45 The Great leprassion: Could It: Happen Again? 15 Radio. 5.30 Count To Count. 8.00

#### TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 1.20 pm North-East News. 1.25 Where The Jobs Are. 2.45 The Royal Film Performance 1982 with Chris Kelly and Judith Chalmers, from London's Loicaster Square Odeon. 3.30 The Sound of . "New Seekers." 5.15 Private Benjamin. 6.00 North-East News. 6.02 Crossroads. 6.25 Norther Life, 19.30 North-East News. 12.10 am Three Million And Rising.

. ULSTER 1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Radio. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 12.10 am News at Bedtime.

YORKSHIRE 1.20 pm Calendar News. 2.45 Trappe ohn. 5.15 Private Benjamin. 6.00 slendar (Emley Moor and Belmon

RADIO 1
5.00 am As Radio 2.7.00 Mike Read.
S.00 Simon Bates. 11.30 Dave Lee
Travis. 2.00 pm Paul Burnett. 3.30
Stave Wright. 5.00 Pater Powell. 7.00
Radio 1 Mailbeg. 8.00 David Jeneen.
10.00-12.00 John Peel (S).
WHF Radios 1 and 2—5.00 am With
Radio 2. 7.30 John Dunn. 8.00 Alan
Dell. 8.30 The New Swringle Singers (S).
9.00 The Folk Entertainers (S). 9.30
Sounds of the Sun (S). 9.45 With
Radio 2. 10.00 With Radio 1. 12.005.00 am With Radio 2. RADIO 2

KADIO 2

5.00 am Ray Moore (S). 7.30 Terry
Woga n(S). 10.00 Jimmy Young (S).
12.00 Glpris Hunniford (S). 2.00 Ed.
Stewart (S). 4.00 Devid Hamilton (S).
5.45 Newe: Sport. 6.00 John Dunn (S).
7.30 International Socret Special:

#### **RADIO**

France v Northern (refand, 9.45 Sounds of the Sun (continued from VHF), 9.55 Sports Desk, 10.00 You've Got To Be Joking with Cardew Roblinson, 10.30 Be My Guest says Donald Sinden, 11.00 Brisn Matthew with Round Midnight, 1.00 am Truckers' Hour (5), 2.00-5.00 You and the Night and the Music (5). RADIO 3

RADIO 3
6.55 am Weather, 7.00 News, 7.05
Your Midweek Choice (S), 8.00 News,
8.05 Your Midweek Choice (continued),
9.00 News, 9.05 This Week's Composer;
Liszt (S), 10.00 BBC Northern
Symphony Orchestra (S), 11.06
Elizabeth Meconchy concert (S), 11.35
Bournamouth Symphony Grohestra (S),
1.00 pm News, 7.05 Concert Half (S),
2.00 Music Weekly (S), 2.50

Wales. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You and Yours. 12.27 it Makes Ma Leigh. 12.55 Weather; travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Foreson. 2.00 News. 2.02 Women's Hour. 2.00 News. 2.05 Shipping Foreson. 5.55 Concert. part 2. Bruckner (S). 10.90 Music In Odf Time (S), 11.00 News. 2.05 Shipping Forecast. 5.55 Concert. part 2. Bruckner (S). 10.90 Music In Odf Time (S), 11.00 News. 2.05 Shipping Forecast. 5.50 News. 2.05 The Archers. 7.20 A Good Night Out. 7.45 Three Wise Guys And One Or Two Dolls. 8.30 Sideways A Bir by Leonard Berras. 8.45 File on 4. 9.30 Kaleidoscope. 3.59 Weather; travel. 9.00 News. 9.05 Ndidweek: Henry Kelly (S). 10.00 News. 11.30 Today in Parliament. 12.00 News. 11.30 Today in Parliament. 12.00 News.

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#### FT COMMERCIAL LAW REPORTS

Cheap gas contract lawfully terminated TOWER HAMLETS LONDON BOROUGH COUNCIL Y BRITISH GAS CORPORATION Chancery Division: Mr Justice Foster: March 22 1982

occurred.

A' CONTRACT which fails to provide for the conditions under which it is to be terminated shall be terminated in accordance with the intention of the parties at the time they entered into the agreement; and the period of notice of termination by either party must be reasonable in the prevailing

Mr Justice Foster, applying those principles, gave judgment for the defendant, the British Gas Corporation, in an action in which the plaintiffs, the London Borough of Tower Hamlets, sought a declaration that an agreement for the supply of gas to the borough was wrongly terminated by the corporation. His Lordship granted a declara-tion sought by the corporation that it had lawfully terminated the agreement by written notice given to the borough on December 29 1977.

HIS LORDSHIP said that under the terms of a binding contract entered into between the cor-poration and the borough, the corporation agreed to supply gas at fixed prices to the borough for certain new developments. The contract was contained in letters sent between 1969 and 1971.
Those letters made no mention of how long the agreement should last, nor of how it should

At the time of the agreement was envisaged that it would take five years before a supply of natural gas would be available, and one of the purposes of the agreement was to guarantee that the price of manufactured gas did not rise before the avail-

ability of natural gas.

The prices agreed per therm were to decrease at a fixed rate over five years, and were calculated on the basis that the quantity required for each development scheme would settle to 1m therms annually. They were to be further was binding for 20 years, which adjusted to a lower rate when the supply changed from manu-

factured gas to natural gas. The supply of manufactured gas to the developments started in 1971. The supply of natural gas started in 1975, but was not

For the first three years of the

agreement there was little difference between the amounts paid by the borough and the true market price. However, in the On December 29 1977, the corporation gave one year's written notice to the borough of its

contract was a power to do so on reasonable notice. What was reasonable depended on the circumstances prevailing when notice was given. The period should be no longer than was necessary to enable the parties to provide against a change of circumstances occasioned by the notice Mr Payton for the borough did

submitted, on the basis of the reasoning of Lord Justice Goff

and Lord Justice Cumming-

Bruce in Staffordshire Area Health Authority v South

Staffordshire Waterporks Company [1978] I WLR 1387, that in the absence of terms in the

agreement as to the parties'

power was to be inferred from their intentions at the time they

entered into the agreement, or alternatively on the basis of the

reasoning of Lord Denning. Master of the Rolls, in the same

master of the noise, in the same case, that an agreement was terminable when circumstances became fundamentally different from those obtaining at the time

Mr Mann further submitted

that a power to terminate the

of contracting.

not quarrel with the formulation of those submissions, but the question was how they should be applied to the present case. There was no doubt that it was

the parties' intention that the agreement should be terminable. It was not credible that the corporation would have accepted an obligation to provide over 1m therms a year at a fixed price for eternity, especially as there was no obligation on the borough to take any gas at all. With regard to when the

power to determine arose, Mr Mann submitted that the contract was binding for at least six years after the initial supply of gas, ie up to December 31 1977. Mr Payton submitted that it was the economic life of the boilers installed by borough, and which probable duration of the supply of natural gas. Alternatively, he submitted that the contract was, binding for nine years, supplied throughout the year being the four and a half years until 1977.

in which manufactured gas was supplied, plus an equivalent period, in which natural gas was supplied.

considering After his Lordship conevidence year ending March 31 1975, the cluded that there was no justi-borough paid £50,110, whereas fication for thinking that the the true market price was parties intended applying that £82,200; and in the year ending latter formula when they March 31 1977, the figures were entered into the agreement; £47,000 and £155,000 respectively. nor did either party envisage nor did either party envisage that the agreement would last for 20 years

If Lord Denning's views were intention to terminate the agree—right, that the contract could be years ago.

ment. The borough now sought terminated when circumstances According

increase in the market price

The only other solution, and it was accepted by his Lordship, was that suggested by corporation, namely, that the contract was terminable after six years certain and thereafter powers to terminate it, such on reasonable notice. Whether the period was reasonable depended on the

circumstances existing when notice was given. Mr Mann sub-mitted that a year's notice was reasonable. Mr Payton submitted that notice should be of sufficient length to give the borough time to assess the economics of other fuel supplies, to prepare plans for conversion to other fuel, and to negotiate an alternative supply and the design or construction

of fuel storage facilities.

A period of 33 months was put forward by the borough. That was made up of six months to assess the economics of other supplies, three months for preparation of plans for conversion. six months for negotiations for

a declaration that the agree- fundamentally changed, notice an alternative fuel supply and ment was wrongly terminated. could have been given at the end the design of storage facilities.

Mr Mann for the corporation, of the year ending March 31 and a further 18 months for con-1975, when the enormous struction of storage facilities.

That submission was wholly unreal, as the cost of natural gas. despite its tremendous increase, was considerably cheaper than heating oil. For example, in the year ending March 31 1978, the market price of the quantity of natural gas used by the borough was £20\$,250, and the equivalent in heating oil was £242,850. His Lordship did not think the horough wished to change in heating oil.

No case had been cited in which it was held that reas able notice could be longer than a year. In the present case 12 months' notice to terminate was

The borough's claim should be dismissed. The agreement was lawfully terminated by the corporation's written notice. For the borough: Barry Payton and Barbara Slomnicka (Herbert D. Cook). For the gas corporation: Michael

Mann QU and Charles George (Barry C. Brooks, Staines). By Rachel Davies

Barriste

#### RACING

BY DOMINIC WIGAN

YORK Racecourse has managed to increase its prize money by £85,000 this year, to just under fim, despite having to use £200,000 of its revenue for the last two years for essential work. Sponsors are again proving staunch supporters of Yorkshire's premier flat course, so ably run by John Sanderson, its manager-secretary-clerk of the course. Over £250,000 will come from sponsors in 1982 and as a result of this backing York keeps its position as the most

lavishly sponsored racecourse in the country on a daily average. York has kept all its sponsors from last year and attracted Allied Bakeries, and Linpac Plastics (International) making a total of 27 sponsors this year, Allied Bakeries is putting up £5,000 towards a six furlong handicap carrying twice that amount on August 18. Linpac is contributing half the £6.000 added prize money for a fivefurlong handicap early in July. In the opinion of most racegoers Knavesmire's facilities are

North or South. A lot of money has been spent on structural improvements to the main stand built only 17

According to the York Race

Committee the stand needed improvements to make it a safer and more comfortable building, for the racegoer and to prolong its life. The total bill, including new floors and general refurbishment will be more than

Levy Board (which contributes £430,000 in prize money) will lend £110,000 if required. It seems disappointing, to say the least, that the main stand should need so much money spent on it to make it, among other things, a "safer building"

£300,000. The Horserace Betting

so soon after it was built. The old county stand and the silver ring stand have had to be expensively repainted after the repair work.

Provided there are no further outbreaks of heavy rain, today's meetings at Southwell and Worcester should go ahead, without any problems. Worcester Bridge Ash, who carried 20 lbs overweight with distinction at last week's Festival meeting, should not be unduly hard pressed to land the King John Chase in the hands of Peter Scudamore, now the weights have gone up. Bridge Ash bids for this third course victory in receipt of weight from

unrivalled by any course in the Just Able and Scroggy. WORCESTER 2.00—Torbold\*\*\* 2.00—Royal To Do\* 3.30—Bridge Ash\*\* 4.30—Rambling Buck

5.30—Steel Trader

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Financial Times Mondov March 22 1982

### Why an EEC proposal is entrenching attitudes on both sides of industry

John Wyles outlines the implications of the Vredeling directive

Todd may be known to each undertakings" other, but professionally their paths never cross. Pestillo is Eurospeak is the "Vredeling U.S. vice-president in charge of labour relations at Ford Motor Company while 4,500 miles Henk Vredeling, who jointly away Todd leads the union negotiating team representing Ford manual workers in the UK. with Viscount Etienne Davig-In certain extraordinary circum- non. Since then, Davignon has stances, Pestillo might have to not fought to keep his name discuss Ford's global corporate associated with the proposal. plans with Todd if a draft European Commission directive were ever adopted in its present unionism which could extend

Todd, like the European TUC, : would regard such an encounter at Ford's world headquarters. Dearborn, Michigan, as a positive advance for trade unionism. The possibility fills many of Pestillo's fellow American executives with fear and loathing.

European businessmen from London to Athens, from Copenhagen to Rome, are similarly Community altogether gives maked in declaring anathema some managements the opporlarge chunks of the " Proposal for a Council Directive on procedure for informing and consulting employees of undertakings with complex structures, to oblige the headquarters-de-

proposal" after the former Dutch Socialist Commissioner,

sponsored its adoption by the Commission in October 1980

It is, after all, a basic charter for multinational trade trade union negotiating rights across national frontiers. Its premise is that multinationals tend to keep their employees inadequately informed and consulted on a broad range of which affect their policies interests.

Its assumption is that armslength decision-making from a headquarters which may be in tunity to run their businesses with fewer obligations to win the consent of their employees The Commission's remedy is year with information on cor- Brussels warn that the proposal porate policies and activities.

The same dominant undertaking would be required to row about EEC jurisdiction shelve for 40 days any decision over U.S. based companies and "liable to have a substantial deter further American investaffect on the interests of its ment in Europe.

employees." In the meantime, the managements of its subbeen more sotto
sidiaries would have to consult honetheless. Ar workers' representatives "with a view to reaching agreement" on the proposed decision These consultations could, under the directive, involve central man-agement and representatives of the entire multinational workforce in the Community.

#### Choleric

Little wonder that since the proposal was first wheeled into U.S. boardrooms the reaction from across the Atlantic has become increasingly choleric. To some American chief executives the Vredeling proposal is simply a socialistic bid textorce co-determination on and nationals. It is meant to apply national companies. In more to all undertakings with more measured terms, the National

particular transnational fined by Vredeking as the Foreign Trade Council of New touch up to 40,000 small and estakings".

"dominant undertaking"—to York and the American medium-sized businesses, says The shorthand title of this shower its subsidiaries twice a Chamber of Commerce in UNICE. The organisation sees would harm business competitiveness, create a major political The U.S. Government has been more sotto voce, but firm

honetheless. An unpublished letter from the State Department to Congressman Thomas Litken reveals that the Reagan Administration thinks the draft directive "is ill-advised as a matter of policy, contains troublesome transnational aspects and would, if adopted in its present form, adversely ing it affect U.S. firms doing business Ministers. in Europe." Two Bills have

Ivor Richard, Vredeling's already been introduced in Conmissioner, is committed to pressgress to shelter U.S. companies wishing to avoid compliance ing ahead with the directive but Meanwhile, UNICE, representing EEC industries, is stressing that the shadow of " trench warfare" unions and employers which the Vredeling haunts not just multi-

Ivor Richard is reluctant to acknowledge his predecessor's responsibility for those hostili-

my "remuneration"?

you reasonably out in

Unfortunately you do not say

precisely what the will says. If

for example, it simply says that

tion, then an appropriate rate

might be the hourly rate for a

solicitor's clerk for the hours

would not be entitled to re-

muneration at your full profes-

sional rate; we assume that your

own professional expertise does

not relate to estates or trusts.

Your remuneration will indeed

be taxable, as you may have

deduced from the answer pub-

lished in our Finance and the

Family column on January 16

under "An executor's remuner-

ation." You may well think it

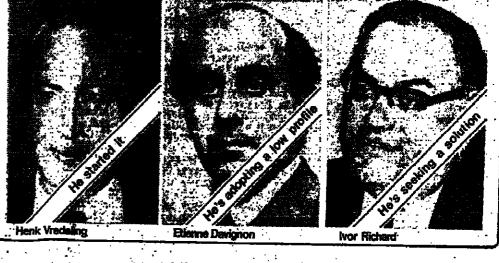
worth while to seek local legal

you are to receive remunera

trial relations and damage to competitiveness by a measure which it claims is basically unnecessary in view of the increasing success of the disclosure clauses of the OECD's voluntary guidelines for multi-

EEC governments are keeping a watchful eye on Vredeling's Their detailed reactions will not be needed until the European Parliament has delivered its opinion later this year and the Commission has decided the changes it wants to make to the draft before sending it to the Council of

successor as Social Affairs Comwants a draft which would put an end to what he calls the original has provoked.



ties and he-and his advisers do means of attaining them not hide their belief that the One of its two basic 2 business lobby is over-reacting.
According by Richard, the
Vredeling proposal is essentially

be secured Articles 7 and 13 of the proposit

osals allow the creation of a body representimployees of the ing all dominant sindertaking and its subsidiaries within the Community." Hanagement agreement would be needed and there is so doubt that many companies would come under strong nessure to recognise such a joint union body.

While imay escape Richard, the importance of this proposi-tion is not lost on the ETUC. UNICE nor the American cor-porate hobby, and it is one of the palacipal reasons why they have dug their opposing

If is nonsense to set up something like the Common Market and to aim at industrial charge on a European scale without giving the unions some opportunity of getting together elves. One of the purposes of the EEC was to make the able," says David Lea, assistant general secretary of the British TUC and chairman of the ETUC's committee.

For their part, European employers will fight this issue down to the last draft amendment and will put enormous pressure on their governments to block it in the Council. The problem for the trade

union supporters of Vredeling is that it is loosely draftedthus making it too easy a target for criticism—and rather confor criticism—and rather con- anise against management fused about its objectives and strategies. This proposal is not

to improve the access of employees of multinationals to Vredeling proposal is essentially "modest" and wholly in line enterprise, its relationship to the with objectives set by EEC governments in January 1974.

But this indestation seems rather naive then it is remembered that the proposals offer trade unions he opportunity to organise and seek representation at a minimational level. This has been their objective for at least decade and would be secured at Articles 7 and 13

reasonably be read as requiring ITT headquarters in America to supply the employees of its Abbey Life insurance group in the UK with information on the the production and investment programmes of its subsidiary com-pany manufacturing TV sets in Spain, and vice versa.

#### Face value

This approach to what in some countries and in some com-panies is a genuine problem nevertheless implies a Machia-vellian view of multimationals which needs explaining and defending. It seems to suggest that few corporate decisions by these companies can necessarily be taken at face value. As a result, they must be forced to lay all their cards face up on the table if their game is to be understood and countered employees' representatives.

Vredeling's approach to con-sultation is as indistriminate as it is to information disclosure. Its aim is to enable employees of multinationals to influence decisions which substantially affect their interests. Commission documents and Ivor Richard's speeches suggest that the main specific objective is greater consultation on closure

The 40-day advance consultation rule which would cover closure and many other deci-sions could greatly after the balance of power in EEC indus trial relations by enhancing workers' opportunities to org-

One of its two basic aims is tainly not "modest" and the vehemence of employers' reactions is understandable. The employers have, however,

lacked a certain perspective, and this is particularly true of and this is particularly true of the positions taken by American companies against Vredeling. They should realise that Arma-geddon is still a long way off. The proposal is currently being worked over by the social affairs and employment committee of the European Parliament. Its rapporteur, British Conservative Tom Spencer, has already proposed a series of amendments which would reduce the scope

Most employers, however, still find Spencer far more sympathetic to the proposal than a British Conservative ought to be. But it will emerge from a centre-right Parliament in rather different shape from the original and then it will be revised by a centre-right Commission far more sensitive than it was in 1980 to its possible impact on business investment in the Community.

Finally, and most important, it must then get past the Council of Ministers where it could almost certainly languish for as long as Mrs Thatcher's government, out not just hers alone, remains in power.
Vredelings gestation period
will be a long one. If ever
a final piece of legislation is born, it will look rather different from the present proposal.



#### **BOARDROOM BALLADS**

#### CAVEAT EMPTOR

The man with joreign sounding name Was on my line again today! For quite a time it's been the same, But how I wish he'd go away! When first he called from Biarritz I felt a trifle flattered: And breakfast meetings at the Ritz Made me feel I mattered.

But that was quite a while before I gained my board promotion: Yet still he tells me how much more I'd earn across the ocean." And judging by the dossier Possessed by this recruiter, l sometimes wonder if he may Be hooked to our computer.

So on and on, with knowing winks He dissertates about me, And half-suggests my chairman thinks He'd do quite well without me.

And how he'd like to meet my wife And, over dinner, urge her To taste the oriental life;
And what if there's a merger?

I popped into the chairman's suite To exorcise my fears.

Before the fellow's indiscreet Enquiries reached his early And that has proved, without a doubt.

The proper thing to do, For now I know the gadabout. Has lunched the chairman too! It seems our universal friend

Is quite a head-collector He's also sending round the bend Our managing director! So now I feel no need to hide. Or feel at all affronted. Recalling with a certain pride The day my head was hunted.

At least I would if I were free Of lingering suspicion That our man of mystery, May be the opposition. My colleagues theorise he may -This mutual friend at large -

Bertle Ramsbottom Next week: The cult of leadership

Notice to Holders of the

(Panamá), Inc., Panamá

5% US\$ Convertible Bonds

of Union Bank of Switzerland

The conversion price of the Converti-ble Bonds will be adjusted according

to the conditions of the bonds with

effect as of April 19, 1982. The new conversion price will be published as soon as possible after that date.

Holders of the above-mentioned Bonds wishing to exercise their rights

in order to participate directly in the

aforementioned bonus transaction are

invited to convert their Bonds for Parti-

cipation Certificates of Union Bank of

not later than Monday, April 5, 1982.

Switzerland

Union Bank of Switzerland

due 15th May, 1989

Bonus Issue of Participation Certificates:

in order to allow the holders of shares

and participation certificates to bene-

fit from the good business results in

1980 and 1981, the Board of Directors

has decided at its meeting on March 4,

1982 to issue, in addition to the cash

dividend, a dividend in the form of bo-

nus participation certificates. One bo-

nus participation certificate will be is-

sued free of charge for every 2 bearer shares, for every 10 registered shares

and for every 50 participation certifi-cates already held.

The new Participation Certificates will

be entitled to dividend from January 1,

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### a title

with foreign disclosure laws.

to all undertakings with more

than 190 employees, so it may

Can you tell me how one goes about registering the name of a publication to protect the title, before the publication has appeared? I have in mind an international publication which might get going within

You would normally have a copyright in the title or at least in the form of the title page (if it is not a single ordinary word) and so registration would not be necessary. You should, how-ever, show (on publication) that copyright is claimed.

#### Remuneration of executor

I am executor/trustee under a will of quite a sizeable estate. The will fully antho-rises "remuneration." Would an equitable basis be to charge a sum equal to what I could have earned professionally had my time not been

guidance, in view of the size of the estate. No legal responsibility can be accepted by the Financial Times for the answers given in these All inquiries will be columns.

by post as soon as

Union Bank of Switzerland

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Bonus Issue of Participation Certificates

in order to allow the holders of shares and participation certificates to benefit from the good business results in 1980 and 1981, the Board of Directors has decided at its meeting on March 4, 1982 to issue, in addition to the cash dividend, a dividend in the form of bonus participation certificates. One bonus participation certificate will be issued free of charge for every 2 bearer shares, for every 10 registered shares and for every 50 participation certificates already held.

The new Participation Certificates will be entitled to dividend from January 1,

The conversion price of the Converti-ble Bonds will be adjusted according to the conditions of the bonds with effect as of April 19, 1982. The new conversion price will be published as soon as possible after that date.

Holders of the above-mentioned Bonds wishing to exercise their rights in order to participate directly in the aforementioned bonus transaction are invited to convert their Bonds for Bearer Shares of Union Bank of Switzerland

not later than Monday, April 5, 1982.



Zurich, March 24, 198

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You're going to like us



#### THE ARTS

Television

ISTOPHER LOP

### Whoops repetitive! by CHRIS DUNKLEY

You can imagine the pro gramme planners at one of London Weekend's meetings a year or so ago grinding their teeth as the cult success of Not The Nine O'Clock News developed into another ratings win-ner for the latest in the BBC's of ex-undergraduate comics, and telling one another that that was what ITV needed at the weekend; something a bit more adult, something that would provoke a few viewers to protest while attracting the more sophisticated A, B and C1 punters in the hope of a bit

But when they get the series and, sure enough, it is about the touchy subject of World War III and everyone being blown to Armageddon by loonies in the White House, the Kremlin and Downing Street, how on earth are they to indicate that this isn't just the usual sitcom schlock? Well, call Whoops Apocalypse and get an ITV continuity announcer (the ones that come in matching male and female sets with vacuous eyes and permanent to state just before it starts that it will be "provoca-tive." And if that isn't good enough up the ante in Week 2 and promise it will not merely provoke but also shock.

Perhaps my scenario is wholly inaccurate and dreadfully un-fair, but the series is certainly much stronger on the idea of shock and provocation than on any actual ability to shock or provoke. I can see nothing wrong with using such insane concepts as MAD (Mutually Assured Destruction) and the shemanigans in the higher reams of politics as material for comedy. But if lashing out in all directions is your styleand better men than script writers Andrew Marshall and David Renwick have certainly tried it, notably Swift — you must first of all be very sure of your own ground. Certainly mankind as a

political animal tends towards absurdity. But the trick of the satirist is to identify, isolate and then magnify the genuinely absurd just as a caricaturist does in a cartoon. The schoolboy who scrawls a moustache on every wall poster is not in the league because he is merely creating his own repetitive absurdity, and most of the time that is the technique used in Whoops Apocalypse.

It is a good gag to have a British Prime Minister who thinks he is Superman and actually wears the Super gear. under his grey suit, but the joke was at its furniest on November 6, 1958, when Vicky invented it in the London Evening Standard. How much braver and more provocative today to have had a woman Prime in the most bizarre positions of sand, patches of oil and so Minister with delusions grandeur (though it is good to circums see the under-used and talented water. Peter Jones in the role).

One of the most pointed jokes in Whoops Apocalypse so far has been the one which did indeed cause some protests: the female news reader stripped to the waist. This made the point of Arena was devoted to it, then continuing with his two most that although news programmes win Brownie points from everybody including the women's movement for employing women news readers, one of the clear functions of those women is to serve as fanciable crumpet to pull in male viewers. This, it seems, infuriates some female

HIC

rg

seems, infuriates some female news readers who are only too willing to accept compliments on their God-given brains but are outraged if you also admire their God-given bodies.

The most interesting aspect of the matter, however, was the extreme smallness of the protest. Ten or 15 years ago when National VALA and the Festival of Light were making such a song and dance about the evils are to accept compliments in the City Music Society has flatters the lower instruments— flatters the lower instruments— flatters the lower instruments— flatters the lower instruments— their God-given bodies.

The City Music Society has flatters the lower instruments— flatters the lower instruments— and Csaba Erdelyi's firm, grave daily, with the Chilingirian and is six of the matter, however, was the extreme smallness of the protest. Ten or 15 years ago when National VALA and the Festival of Light were making such a song and dance about the evils in the Andantino grazioso, took and Csaba Erdelyi's firm, grave viola—more than the violins. The overall effect is warm and ripe, not ideal for delicate contrasts of texture, but never actually mudding. The Chilingirian with quartets by Haydn himself of Light were making such a fatters the lower instruments— flatters the lower instruments— flatters the lower instruments— flatters the lower instruments— and Csaba Erdelyi's firm, grave viola—more than the violins. The overall effect is warm and ripe, not ideal for delicate contrasts of texture, but never actually mudding. The Chilingirian with quartets by Haydn himself of Light were making such a flatters the lower instruments— flatters the lower instruments— flatters the lower instruments— and Csaba Erdelyi's firm, grave viola—more than the violins. The overall effect is warm and ripe, not ideal for delicate contrasts of texture, but never actually mudding. The Chilingirian with the Chilingirian of Light were making such a flatters the lower instruments— and Csaba Erdelyi's firm grave viola—more than the violins. The overall effect is warm a song and dance about the evils of permissiveness it would have been unthinkable for a woman to appear topless to read a



Peter Jones, Geoffrey Palmer and Richard Davies in Whoops Apocalypse

with practically no fuss at all, a special extra edition of Did place after 10 o'clock. In addition to those on Whoops Apocalypse there were bare breasts on OTT and Bicarre last week (not to mention a whole lot on Disappearing World which would always have been allowed under the National Geographical seal of approval for black ones). We have had nearly naked men on OTT as well, and several times ITV's late night series Paris By Night has featured topless go-go dancers.

used not once but repeatedly in pened" even if some particular a film clip during the British Academy Awards on Thursday and if there have been protests they have been easy to miss. Simulated copulation in plays and comedies is frequent, Friday Niaht Saturday Morning recently had a lengthy discussion about orgasms, dildoes, lifesize rubber dolls, and men visited an exhibition by the who regularly turn up in artist Mark Boyle your impres-casualty with uncomfortable sion on entering the gallery parts of themselves stuck in the was that he had somehow suction nozzle of the vacuum managed to cut out great slabs cleaner.

Perhaps we are at last losing feet square, and hang them some of our puritanism and on the walls, presumably on hypocrisy, and if so I thank very strong hooks because they cheap flights to the topless included pavement, kerb stones. Mediterranean beaches, and and tarmac. All the familiar David Attenborough. It was his debris of the public thorough Life On Earth series which fare was there: cigarette butts showed so many other species in the cracks in the pavement, doing the most amazing things grante chips in the road, grains of under the most extraordinary on. Close inspection proved craze for mimicking the mun circumstances - even under that these exhibits were dane was boring enough in art

Bishopsgate Hall, EC2

single word in the way of verbal reporting. We are obliged to assume the reason is that when challenged on grounds of acuracy the verite film maker Furthermore the words can always claim "the camera "fuck" and "fucking" were cannot lie, that really hapsequence happens to he wildly unrepresentative or misleading. In contrast as soon as you start to use the most highly developed of man's communications techniques speech you lay yourself open to challenge and contradiction.

of the high street, eight or ten

During the seventies if you

comment from its own pro-ducers as BBCl's Police. The Mike Leigh is the Mark Boyle who really can't see any differsubject was dealt with routinely of television drama. Starting ence between a snapshot of a on Did You See, a whole episode with Hard Labour in 1973 and train in a shower and Turner's

Lunchtime Mozart

Haydn's sunny C major Quartet

ful, sturdy and imaginative; some friendly competition be-some tiny slips of pitch might tween the solo unterances in the

easily not have been noticed. slow movement.

comedy news bulletin. Now, in the past week we have had successful productions Nuts in May and Abigail's Party, his toplessness has become common- You See and the article on this television plays have moved place after 10 o'clock. In addi- page last Thursday by John steadily closer to a slavishly Shearer, editor of the series.

Remarkably, despite that Last week's "Play For Today" extraordinary quantity of ex
Home Sweet Home looked like planation, none of the producers the most accurate yet — and has ever answered the crucial the most banal. Postman Stan, question of why they decided to separated from his wife and limit themselves to visual inter- with his daughter "in care," limit themselves to visual inter- with his daughter "in care," pretation and to offer not a regularly climbs into bed with the wife of fellow postman Harold when Harold works nights. In the daytime the flirtatious wife of postman Gordon also makes a play for Starle sewiggs.

> No 2 embracing Stan the result is a raucous shouting match in the street. End of play. Harold's defence against the ghastliness of the world's reality was logorrhoea. trickle of primary school riddles and pop song lyrics squittered perpetually from his mouth and when his wife threw her unfaithfulness in his face he remarked conversationally

Stan's services as stallion. When adulterous wife No 1

spots would-be adulterous wife

that mares eat oats and does eat oats and little lambs eat ivy. Most of us have met people of this sort, some of us who have worked as hospital porters, table clearers, and so on, have spent considerable periods enduring their infuriating habits and can confirm that this play was just as accurate as Boyle's pavements. But so what? The late 20th century supremely accurate glass-fibre galleries and theatres without \* models cast, no doubt, from the bringing it into television. In I cannot recall any other real things and then, I assume, order to believe Home Sweet series which produced as much painted with scrupulous care to Home is valuable drama you "Rain, Steam And Speed."

Elizabeth Hall/Radio 3

### Where the Wild Things Are The work had its Sendak- so minute span—and, beyond designed premiere, at the that, his desire to revive the Brussels Monnaie, at the end exotic, picture-book musico-

One thing, and one thing only was seriously wrong with the British premiere of Oliver Rnussen's Where the Wild of 1980 (at which time it was Things Are, of which the fully described on this page by London Sinfonietta gave on Monday a concert performance, conducted by the composer, as part of the Music of Eight Decades series. That is, that it was just that—a concert per-formance of the Maurice Sendakinspired "fantasy opera": the eye cried out for the fantastical inventions of the famous children's book so tantalisingly evoked in the programme booklet — and, of course, so bril-liantly perceived and transcribed for the ear. In every other way, this was an occasion of high exhibaration. Throwing caution to the winds, one might deem it the revelation of a new classic from that fragile and very valuable artistic domain where an entertainment intended to be immediately appreciable to children fulfils et les sortilèges, both sources its brief and at the same time ranges far beyond it.

Dominic Gill). Since then, Knussen has revised text and score, and completed more of it (though the completion of the sixth scene. "The Wild Rumpus," was at the last minute found unsatisfactory by the composer, and on Monday it was

Until we see the whole— which event, if there is any justice in the operatic world, will not be long delayed—this knockout performance was the best way of imagining what that whole must be like. Knussen readily owns its serminating matter—the "prigerminating matter—the "pri-vate" scene in the Palace Apartments of Boris Godunor, the whole, but especially the very end of Ravel's L'Enfant clearly and uproariously acknowledged during the 40-or-

exotic, picture-book musicooutline and elaborate in facture, that came to ripest fruition during the Dyagilev era, when Firebird and especially Nightingale fluttered their brilliant plumes. (Was Rimsky-Korsakov also an influence?) If the opera is a series of

explicit homages—to the works and composers mentioned and also Debussy's Boite à joujour, to Sendak's enthralling, un-sentimental gift of commingling childhood's pleasures and terrors—the act of making startling originality and per-sonal stamp, a blend in the best way of traditional and new sounds and thoughts. Knussen has the Britten-like gift of drawing new-minted effects, shining new apercus, from a "given" operatic mode of speech. He shows it in things small (the phrase "And catch and cook it and keep it

differently harmonised; romantic horn solo, lapping dramatic conception, simple in across the first interlude; the sprays of glitter and sparkle) and in things central-all the musical material derives from the Boris "coronation chords." When the work is staged.

that will perhaps be the time to trace out the serious side to the pleasures of the piece, what the work is undeniably but unportentously "about." For the moment, a few more of those pleasures—the tight forms of the construction, the pidgin Yiddish" and frantic hoqueting of the quintet of Wild Things, the economy of orchestral means that allows lavishness without a drop of excess fat-must simply be recounted in gratitude, as must the names of the splendid cast: Rosemary Hardy (Max), Linda Morrell, David Wilson-Johnson, and Terry Edwards.

MAX LOPPERT

#### Festival Hall

#### Festival of India

The Festival of India will them all. They concluded with continue with exhibitions and performances till mid-November, but rather against one's expectations the opening concert on Monday was much shorter than that. Instead of the lavish potpourri to which Sanskritik Festival has accustomed us, tending to spread amiably beyond the standard South Bank limits, this initial evening was tightly corseted: a military fanfare, a graceful speech by the Director of the (Indian) National Society for the Performing Arts, appearance by the great singer M. S. Subbulakshmi without much time to blossom, and finally Ravi Shankar's second shot at a Sitar Concerto.

As always, Subbulakshmi sounded poised and infinitely serene. There was first a gentle musical invocation and then her principal offering, based on the raga Sankarabharanamcircling tenderly about the notes of the major triad—and a seven-beat tal. The middle portion of that performance became an inward exploration, still points approached again and again by subtly varied paths; the in-genious rhythmic games of the final part showed off the skills of her partners on percussion. Her singing partner, alert discreetly backward, was the very musical Radha Viswana- better purpose, than. We heard too little of

a hymn in a darker mode, dear lo Gandhi Ravi Shankar's Concerto No 2 Raga-Mala, "garland of ragas," had the composer of course as soloist, with Zubin Mehta con-ducting the London Philharmonic. It is a long, well-meant attempt in four movements to re-create something like an expansive sitar performance on the grander scale (noise-wise. anyway) of the Western symphony orchestra. Without the instinctive spring of Indian players, the rhythmic patterns proceeded stiffly and mechanically; constrained to strict Western witch the thematic material sounded coldly inexpressive. The interplay between Shan-

kar's tame solo paragraphs and the orchestral titivations was purely theoretical. As a performer Shankar probably couldn't make a clumsy transition to save his soul—but his orchestral writing, for all Mehta's energetic advocacy, was chocka-block with clumsy transitions. compounded by scoring that managed to be flatly conventional and unidiomatic at once. There were twitches of life in the Finale, where one could hear in the gestures of the awkward orchestral giant something of the responsive wit of Shankar's regular tabla partner Alla Rakha-who is to appear

DAVID MURRAY

#### A11S by CLEMENT CRISP

civilised behaviour. (A fact all the choreography do the work the more welcome in that in are the watch-words. Monday's programme Airs followed a particularly dubious exercise in urban disenchantment to crass popular music.)

Taylor's dances are buoyant, courteous; his dancers have physical dignity, integrity they look like people one would be the beautiful they look like people one would be the beautiful they look like people one would be the beautiful they look like people one would be they look like they look want to know — and, if the Rambert cast will try a little less hard, charm. Movement sweetly follows movement; sometimes fast, with the steps glinting in the light like water in sunshine, or flowing and overlapping, shared generously out among the dancers, as in

the minuet from Berenice.

I think Airs a heart-stirring gear); the relevance of it all work, wonderful in its craft and eludes me.

Airs, which has entered the Ballet Rambert repertory this season, shows us Paul Taylor at his happiest and most serene. It is a suite of dances, when the cast try less hard to to a varied collection of Handel twinkle or look holy. Simpliairs, that argues the merits of city of manner, and "letting challenged behaviours (A feet all the charge-graphy do the work")

Robert North's Lonely Town. Lonely Street, a collection of anxious teen-age moments to songs by Bill Withers, began the evening. It does what it does—young people meet, part. misunderstand each other, with one chap apparently stoned out of his skull—efficiently, predictably, in a style already dated. The fire-escapes which form the setting indicate an American location; the clothes are dreary evocations of the late 1970s (it would make the piece more exciting were they today's eccentric, ecstatic Punk

Soho Poly

### Blow on Blow

A mother beats her child, but she too is violated, by a barrage of social and psychological cruelties. Maria Renhard's play. the second in this theatre's German season, has been compiled from transcripts of an actual court case that took place in Berlin. It is a fine example of the objective potential of documentary drama. The defendant, Veronika, wins our total sympathy, though never lose sight of her horrific deed. When she whips the tiny, stuffed dummy that represents her five-year-old daughter Angelica, she provokes the shocked amazement and repulsion that inevitably accom-panies an assault on innocence. But we still respond to her ultimate plea for understand-

There are two kinds of blows.

It is a gruesome monologue, but a tour-de-force for Kika Markham who carries us through an unhappy girlhood of and even a nunnery. The conreflected in stumbling, hesitant her father threw her against a cupboard. There is some muddle

here, which was no doubt present in the original, but makes it difficult to focus very clearly on the interpretation It is hard to convey the truth. when the truth is a mess of fragments. But as the compulsion to violence takes control, Veronika becomes concentrated intense in frustration and terror at her actions, From this moment, about half way through. the performance gathers momentum.

She is only able to express herself, and her distorted love, through physical aggression, and the production intensifies this theme by simple stage directions. At first she is frazzled and dowdy, in rolleddown socks and a quilted nylen dressing gown. Just before she hits the girl she puts on her clothes, as if preparing for the world outside in blouse, skirt, lipstick and high heels.

After the girl is taken away, foster homes, boarding homes, with her other children, using her voice instead of ber hands. fusion of her early life is screaming and berating when the fit comes on. The piece is unashamedly didactic about a memories, of which the most subject which is still largely significant is the moment when and conveniently ignored. It worked on me.

ROSALIND GARNE



Diane Walker and Robert North dancing in Airs

#### THEATRES

Shaftesbury Ave. CC 01-437 Two red price prevs. Mar 27 2t 8-30. From 29 Mar. eygs 8.0. red 3.0 Sat 5.0 4 8.30 Aian urn's new comedy SEASON'S

APOLLO VICTORIA (opp Victoria Stn.).
THE SOUND OF MUSIC PETULA CLARK
EYES 7.30. Mrts Wed 6 Sat 2.30.
Box: Office 10 am-8 pm in personphone-post-SAE. SPECIAL HOTLINES
01-828 8855-6-7. CREDIT CARD
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card bookings 01-200 0200. GROUP
SALES 01-379 6061.

# DRURY LANE, TREATH ROYAL CC 836 8108. THE PIRATES OF PENZANCE. Opens hera May 26. Sox office now open. Group sales: 379 6061. PHCHESS, S. and CC. 836 8243, Ever 8. Wed 3, Sat 5.30 and 8.30, RICHARD TOOD, Derrea Nesbitz and Carole Mowlam in THE BUSINESS OF MURDER.

lent plan—one wishes them still

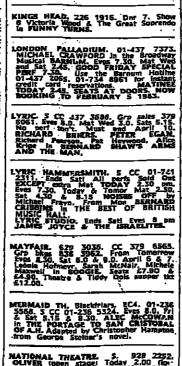
better audiences than the appreciative little crowd who

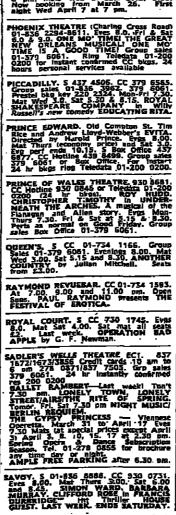
came on Monday.

DUNE OF YORK'S, 836 5122, CC 636
9837. Group sales 579 6061. Eves
7.45. Sat 8.15. Mat Thurs 3.0 & Sat
3.0. Simon Callow & Patrick Ryecut in
J. P. Boniesry's RALTHAZAR. Enjoy
pre-show supper at Carle Charco plus to:
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GLORE S CC 437 1592. 439 6770-6773.

PASS THE BUTLER, The new conseds hit by Sric Idle with WILLIAM RUSHTON. JOHN FORTUNE MADGE RYAN and PETER JONES MON-THU'S 50, FT: 4 Sat 5.0 4 845 PERPS GOOD PRIJEASTER MON 8 pm. Group sales Box office 379 6061.





DAYID MURRAY



STRAND THEATRE CC 01-838 2860. 01-836 4143. NYREE DAWN PORTER. ROY DOTRICE IS MURDER IN MIND. A thriller by Terence Feely Eyes Mon-Fri 8.0. Sat 5.0 and 8.0. Mats Thu 3. TALK OF THE TOWN. CC 01-734 5051 for reservations or on entry. Concon's Greetest Night out from 8 wm. 5 hours of Top Esterhalment. THE TALK OF THI TOWN GALA FALAXY REVUE (9:30 with a cast of 35, PETER GORDENC (11 sm.) Dinner Dancing. 3 bands. YAUDEVILLE CC 01-836 9988. Eves 8 Wed mats Z.45. Sate 5 & 8: Good Fr 8 pm. GORDON JACKSON IN AGATHA CHRISTIE'S CARDS ON THE TABLE WESTMINSTER THEATRE, 834 0283. Until Saturday, Matr delly 2.15, Sent 63,50, £2.46. Mystery Thriller AN INSPECTOR CALLS. WHITEHALL Sox of tel 01-839 69.6.
01-930 8012-7755, CC 01-930 65936594. Group sales tel 01-379 8081,
Whitehall's latest farce, ANYONE FOR DENIST WIDON WELLS, Directed by DICK CLEMENT, MON-SAT EVES 8.15 pm. MAT SAT 5.00 pm. WYNDHAM'S, 5 836 3029, CC 379 6565.
Group reduction, 836 3962. COLIN BLAKELY. ROSEMARY HARRIS IN ARTHUR, MILLER'S ALL MY SONS.
DIRCTED by MICHAEL BLAKEMORE.
MON-Fri 7.30. Sat 4.30 & 8.00. Wed mat 2.30.

#### F.T. CROSSWORD PUZZLE No. 4,830

ACROSS 1 His thoughts are not necessarily complimentary (4-7) 7 and 28 One district shows a hundred with ability (6)

9 A corollary that has to be mounted (5) 10 A French station in the sandhills—get some overalls (9)

11 A political party from the
East has to make a speech,
which is complicated (9)

12 Entered with something
from Fort Knox (5)

13 In addition the contract
gives satisfaction (7)

15 It saves you from the bookmakers (4)

makers (4) 18 Priestess from the Roman era (4) 20 Two directions in self-

assured Londoner (7) 23 Rather fat—you need a game of golf (5)
24 Real bacon can be obtained from this city (9) 25 Support worker in a cathedral city acting in a refined manner (9)

27 The Musical Times (5) 29 Keep mum, like the departed (4, 2, 5)°

DOWN 1 With serious intent eternally 3 "Not to the sensual ear, but

more—" (Milton) (8)

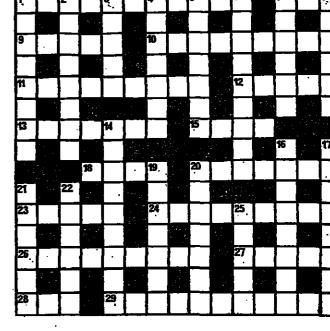
Form of propulsion for a tailless fish (5)

Want to know about orientals? Get their file (7)

Not the cut of Brutas (1) 22 These stables had a good

6 It is clear, maybe true to 7 The cloth for them (6)

Company of the second of the s



8 Discriminating. istic of Cyrano (6) 14 Constant, swift to place (9) 16 To tell nearly everyone is irregular (8) 17 Forerunner of snooker—it

makes one wonder (8) 19 A piece in an exam on a regular course (7) 20 Order to sergeant causes unnecessary fuss (5-2) 21 One of 7-art nosing about?

25 "And ye shall — in haste' (O.T.) (3, 2)

(6)

clean up (6)

I O L A C II
SKILLY PATRIOT
C E A E N Y
QARSMAN STRATA
N B O A I B

Solution to Puzzle No. 4,829

Rinancial Times Monday March 22 1982

#### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Wednesday March 24 1982

### Law and order I hoardroom of the green grey skyseraper which agitation

own party at a private meeting on Monday night. But it is essenreforms recommended by Lord Scarman last autumn.

The agitation has been aggravated by the demagoguery of certain elements in the media. But matters have not been helped by Scotland Yard's selecsmall categories of last year's crime statistics, purporting to show disproportionate black involvement in muggings, nor by the Police Federation's cam- crime. for the restoration of capital punishment, nor by the call by Mr James Anderton, Chief Constable of Manchester, for the abolition of Police Committees in their present form. Taken together, these three events look suspiciously like a political campaign by the forces of law and order to pre-empt, and if possible prevent the implementation of Scarman.

#### **Inflammatory**

There is nothing inherently wrong in trying to establish ethnic correlations for certain types of crime; it may even be useful, just as it may be useful to try to establish the degree of black disadvantage in the jobs market. But Scotland Yard would have shown greater responsibility if it had paid more attention to a speech delivered a few days earlier by Sir James Crane, the Chief Inspector of Constabulary, in which he warned against instant interpretation of crime statis-

tics.

There is no good case for a restoration of capital punishment, and no doubt the Police tion-compaign will be firmly resisted. But if the police

MR WILLIAM WHITELAW, the tions, it would do well not to Home Secretary, seems to have engage in inflammatory cam-had considerable success in defusing the law and order agita- The fact is that populist tion from Right-wingers in his nostrums will not provide

instant remedies for our social ills, and improvements in the tial, when he speaks on the effectiveness of our police same subject in the Commons forces in fighting crime and in only be made after the most careful consideration of all the railroaded by the hysteria of the law and order lobby, but that it remains firmly committed. tomorrow, that he should make maintaining law and order can it remains firmly committed to violence, but we should not the general thrust of the need reminding of the role played by police tactics in triggering off last year's Brixton riots.

Nor can we blind ourselves to the way that economic and social disadvantage can foster helped by Scotland Yard's selective emphasis on certain rather less of police action. Indeed, it would be extraordinary if the very high levels of unemployment among the young and among blacks did not lead to Mr Whitelaw should make clear his commitment to do something about these social causes of crime.

He should also reaffirm his

commitment to Lord Scarman's recommendation that there should be more consultation between the police and their local communities, though he may not be ready to be more specific on ways and means. His department has been canvassing opinion up and down the country, and by the end of next month he is expected to issue general policy guidelines on how consultation should be imwill also decide whether consultation mechanisms should be statutory. In our view legislation is necessary, because voluntary consultation is most likely to break down where police-public relations are bad. Finally, Mr Whitelaw should

take the opportunity to strengthen the role of the police inspectorate in making sure that all our police forces adopt the best practices in keeping the peace. The general reputation of the police remains very high, but it is time that the Home service wishes to fend off what Secretary and his department it sees as the danger of political asserted more authority in the interference in police opera- articulation of police policy.

### Opec moves to curb output

disarray within the Organisation of Petreleum Exporting getary requirements.

Countries should probably be If the Vienna agreement does Countries should probably be resisted. There are clear advantages for both the industrialised and developing worlds in a lower price range for hydro-that flexibility on output levels carbons. But for all its declining influence Opec still accounts for around 40 per cent movement in prices may also be of the non-Communist world's necessary. supplies and took decisions in Vienna last week which could if sustained strengthen its credibility as a producers'

Opec appears to be at a crossfixing production limits for each of its members, instead of merely attempting to agree on

The key issue for Opec now is whether it will be any more successful in controlling the production hawks than it was in the past at restraining its the shock of declining revenues.

The new production hawks that it was in the past at restraining its the shock of declining revenues. in the past at restraining its price hawks. The new producprice nawks. The new production agreement aims to defend the \$34 a barrel reference price for Saudi light.

Description of decining revenues. Political stability in this key region obviously remains in the West's interest; the recent example of Iran almost a recent example of Iran almo

#### Damaged

Iran has already announced that it will not stick by its production ceiling of 1.2m barrels a day and is offering attractive discounts in an attempt to push output towards 1.7m b/d. The Opec agreement may be able to survive with an errant Iran but it would be severely damaged if Nigeria was to break ranks.

The true intentions of Saudi Arabia are, as ever, difficult to discern. Nigeria and some other measures and the successful Opec members would like to search for alternative sources believe that the Saudis will drop of energy. It is unlikely ever their production to as low as to become clear which of these 6m b/d and arrange financial factors has most influenced the assistance for the hardest-hit market. It is therefore all the members of the cartel, but more hazardous for the Saudi Arabia has not yet industrialised countries to relax openly confirmed that it is ready their attempts to reduce their

to do this. Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, has long urged moderation on those forcing up the price of oil too than most in predicting market rapidly. He would like to see trends. They now believe an the reference price frozen at approximate balance between 334 until the end of next year supply and demand may be which, when inflation has taken reached towards the end of the its toll, would imply a signifi- year. It is therefore too early

cant fall in the real price. reasons why Saudi Arabia may not be able to lower its output could be thankful for the below 6.5m b/d. Such a reductive restraint exercised by tion, if sustained, could risk

THE TEMPTATION to cheer damaging some of its oil fields foo loudly at the decline in world oil prices and the parallel exchange revenue from oil sales to very close to its own bud-

come under heavy pressure this may help Saudi Arabia to argue more persuasively within Opec that flexibility on output levels

#### Stability

There are other, secondary reasons why the West should be wary of any major erosion of Saudi surplus revenues. Saudi roads. For the first time in its history it has attempted to behave as a proper cartel by Arab world. A third of Saudi Swing production limits for each Arabia's surplus was committed last year to Iraq's war against prices and allowing market forces to dictate output.

The key issue for agree on the spread of Ayatollah Khomeini's brand of Islamic fundamentalism.

> ample of Iran showed the effect political upheaval can have on the oil output of one of the major exporting nations. The past two decades of Opec have shown, moreover, just how unwise it is to read too much into a current trend. From past experience, the glut of 1982 could easily turn into the shortage of

The causes of the current oversupply can be attributed variously to recession, the running down of stocks, the impact of energy conservation overall demand for imported

energy. The Saudis, with all the benefits of an insider, have Opec members who he felt were proved rather more accurate to pronounce the end of Opec. But there are technical Market conditions could yet easons why Saudi Arabia may emerge in which the West

Saudi Arabia.

The implications of the affair threaten to penetrate deep into West German society. For the trades unions have been one of the pillars on which the Federal

Republic has built its economic success and political stability in the post-war period, and some of the union leaders under attack are among the most steadfast supporters of Chancellor Helmut Schmidt's fragile Social Democratic Party-led condition Government

grey skyscraper which houses the trades union-owned

shaken and divided the union

A month ago, on February 13 the chief executive and two top executives of the union-owned Neue Heimat, Europe's largest housebuilding company, were sacked without notice at a hastily convened Saturday night meeting of the supervisory board of the company.

The ruthless house cleaning at Neue Heimat, a company with an annual turnover of DM 6.5ba, followed allegations of question able business transactions involving the company and private property firms in which the three men secretly held major interests. The Hamburg City Prosecutor's Office has subsequently started investigations against Herr Albert Victor, the chief executive, and others because of suspicions of breach of trust.

The events have sent tremors through the German labour movement because, spart from the statutory representatives of the group's own workers, the supervisory board of Neue Helmate is comprised entirely of top executives of German labour unions.

The include the three most powerful union bosses in the Federal Republic, Herr Eugen Loderer, head of the 2.7m-strong LG. Metall, Herr Heinz Kluncker, head of the 1.1m strong public service and transport union (OTV) and Herr Heinz Vetter, of organised labour's head umbrella organisation, German Trade Union Federation (DGB).

The personal integrity of these men and their peers has symbolised the values of honesty and moderation which have underpinned the union's influence in post-war Germany, and fostered the smooth running of the Federal Republic's labour relations machinery. The integrity ing at what many judge to be Ping away at union power. s not been on result of the Neue Heimat a "business as usual" posture Bonn has waned as the historic scandal, but, particularly in three at the top of the DGB.

strategie that both Herr Loderer whether his withdrawal would another and Herr Vetter, and another trade union official Herr Alois President, have invested heavily the strength of the union establishment in the longer term, or through Neue Heimat, in tax
Standard in Frankfur But Cover the Matter of Standard would should be the best way to underpin membership of some trade union official Herr Alois the strength of the union establishment in the longer term, or through Neue Heimat, in tax
Standard in Frankfur But Cover the Matter of Standard would should be the best way to underpin unions coupled with the introduction of the union of sequity bank between 1961 and 1977 the author through Neue Heimat, in tax
Important subsidiary) to cover the Matter of the desired that loss.

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The charismatic Dr Hoffman two weeks I that loss.

The charismatic Dr Hoffman two weeks I that loss.

The charismatic Dr Hoffman two weeks I union owners had had to inject the selbach, charman of the level and the creasing costs of keeping the whether his initial reaction of big union bureaucracies going, capital, too, bringing to DM when BfG was building up its leadership.

WEST GERMANY

### A scandal shakes the unions

By Stewart Fleming and Kevin Done in Frankfurt

#### WHO'S WHO IN THE AFFAIR

Heinz Oskar Vetter (64), chairman of the West German Bank für Gemeinwirtschaft, the barons of organised labour in Trades Union Federation since 1969, is due to retire in May. A mechanical engineering apprentice and then a West Germany meet tonight to coal miner, he was deputy chairman of the miners' grapple with the repercussions of a financial scandal which has union before becoming DGB chairman. Since 1979 he has been a member of the European Parliament. Engen Loderer (61), chairman of West Germany's largest union, the 2.7m member I. G. Metall since 1972, and deputy chairman of the supervisory board of the engineering concern Mannesmann, is generally recognised as the country's most powerful trades union

> Heinz Kluncker (57), since 1964 chairman of the Public Service and Transport Union is next to Loderer, seen as the most influential union leader within the DGB. Alois Pfeiffer (57) came to the board of the West German Trade Union Federation from the tiny Horticulture, Agriculture and Forestry union which has around 50,000 members. He has emerged this year as the front-runner and official candidate to succeed Vetter. Walter Hesselbach (67), the most influential banker and businessman of the West German union movement, is chairman of the unions' main holding company, Beteiligungsgesellschaft für Gemeinwirtschaft, which handles a large part of their interests in many enterprises such as the co op Group, one of West Germany's biggest supermarket chains, the BfG Bank and the Volksfürsorge insurance group, second largest in the Federal Republic. Albert Victor (59), a grocer's son with only elementary education joined Neue Heimat shortly after the war. becoming a director in 1954. By 1963 he was chairman and over the next two decades he turned the group into West Europe's biggest housebuilding and house management company, administering more than 500,000 homes in West Germany.

sheltered housing developments in Berlin. Such investments are the storm was and is the right perfectly legal. But their conone, is a difficult political judgnection with Neue Heimat, the ment to make. traditional trade unionist distaste for such tax privileges for the "rich" and the fact that the union leaders' involvement in them has surfaced at a time of economic austerity, have

side the union movement. By chance, the involvement of Herr Pfeiffer in the taxinvestments has presented the critics of the union bosses with a heaven-sent opportunity to make their

all combined to unleash a storm

of criticism both within and out-

Only a few weeks before Herr Pfeiffer had emerged as the clear front-runner to succeed Herr Vetter as the new chairman of the DGB, to be elected in May. Indeed, shortly after the first Neue Heimat disclosures, the DGB board con- . The economic recession and firmed him as the official candi-date. But in the past three weeks criticism has been mount-

Subsequently, however, it has emerged that both Herr Loderer whether his withdrawal would

the top brass to try to ride out

What is brutally clear to the unions' leaders is that union involvement in the sort of workers normally associate with capitalism has shocked the grassroots membership which is suffering from the worst labour market crisis in the post-war period. "We can see it in the letters we get at head office about Neue Heimat from our members. There is a growing crisis of confidence in the leadership of the trade unions in this country," said the board member of one large union privately earlier this month.

The Neue Heimat scandal, which began in earnest with an article in the news magazine Der Spiegel in February, could scarcely have occurred at a more unpropitious moment:

the seemingly inexorable erosion of the coalition Government in Bonn have been chip-

ties between the unions and cases, their judgment has.

The first criticism that has leading the attack on Herr been levelled against the super-present was not doing its supervisory Heinz Kluncker. Although a job well enough, especially since Neue Heimat has some to take such a stance.

Ironically, attack on Herr Government have also become seems to have become the worst strained. Decisions forced on the profits collapse in the German banking industry ner. the Free Democrats, and by soaring budget deficits, have forced the unions to ask them had to mobilise hidden reserves forced the unions to ask them. Bonn really are.

Es gent un das Renommee des Gewerkschaften" How the Nene Heimat scandal broke. have weakened their finances. Since 1979 the unions have had to pump over DM 700m of new equity capital into their Behind the profits collapse business interests. The erosion of their financial resources

plate allout strike action. • Meanwhile rising unemployment-almost 2m Germans are currently without work—and recession have tended to strengthen the influence of the more radical members of the

makes it harder for unions such as IG Metall to contem-

These problems are the background against which union officials and executives in some of the union-owned companies will be making practical decisions about the future policies of some of these enterprises, particularly in relation to the union-owned bank.

The Bank für Gemeinwirt-schaft, an institution with some DM 56bn (£13bn) of assets, is one of the 10 largest West German banks. It has long been the flagship of the union-owned concerns, and, because of its status as a source of loans to support strikes, a keystone in organised labour's defences.

important subsidiary) to cover Heimat

485m the funds which the unions have had to pump into BfG since 1979.

lay, to a very considerable extent, poor management deci-Herr Thomas Wegscheider joint chief executive of the bank, admitted ruefully that the bank had misjudged the outlook for German interest rates again at the beginning of 1981. In addition, BfG has had the misfortune of being the West German bank most heavily committed to lending to Eastern Europe.

BfG is believed to have some DM 700m of non-government guaranteed credit outstanding in Poland, a figure which is double that which the Deutsche Bank, an institution three times its size, has committed there. The bank's capital reserves total around DM 1.9bn. But its total commitment, to hard pressed East European Communist borrowers is believed to be substantially more than its Polish exposure.

It is not just be personel problems which will many of the weakness of the board of BfG, which precede the board meeting of the German Trade Union Federation itself. The question of the future leadership of the bank two joint chief executives. Dr had to mobilise hidden reserves Dietrich Hoffman, to take over (partly by selling control of an as chief executive of Neue

heavy East Bloc lending comit-

Dr Hesselbach escaped unscathed from the aftermath of the Neue Heimat affair. Like Herr Vetter, Herr Loderer and Herr Pfeiffer (and perhaps other, as yet unnamed, union leaders) he, too, invested heavily in tax-sheltered Berlin property, by his own admission, to the tune of DM 600,000.

Critics of the trade unions. and of their business interests. have been presented with more than enough ammunition by the profits collapse at BfG and the profits problems of Neue Heimat which ran up losses of DM 529m in housebuilding between 1973-1980 and whose property development arm, Neue Heimat Städtebau, needed a DM 220m capital injection from its financially stretched union owners last

Even union officials concede that the poor performance of the union-owned companies and the far from impressive per-formance of the uniondominated supervisory boards within these companies (in par-ticular within Neue Heimat) are not much of an advertisement for expanding "co-determination," the legal framework which has taken union officials onto the boards of companies like Daimler Benz, Siemens and Volkswagen.

On the contrary, it is argued that the way that the unions themselves have packed the supervisory boards of BfG and Neue Heimat with union officials makes a mockery of official labour policy of "co-determination," has resulted in too much familiarity between the union officials in the supervisory board and the labour sympathisers who have been promoted to top management positions in the companies and is inhibiting the recruitment of new top quality executives.

The BIG bank, in particular, it is said to be now facing an identity" crisis. Can an international financial institution of its size really reconcile the at times conflicting philosophies of multi-national capitalism on the one hand and the interests of its trade union owners on the other?

Alongside the issues raised by the union's business interests are broader political considerations stemming from the Neue Heimst affair and its aftermath.

Both union officialdom and

the heads of Germany's big companies live in horror of the possibility of the German labour movement falling prey to what weakness of British trade unions, namely a growth of semi-independent fierdoms on the shop floor because of the weakness of the authority of union head offices.

For this reason how they has been opened up by the decide to handle the fallout departure of one of the bank's from the Neue Heimat affair from the Neue Heimat affair presents the umons with a de-cision of the utmost long-term importance, the wounds which have been suffered in the past two weeks by union officialdom do not fester at the shop floor level and begin to undermine the authority of the union

### Men & Matters

#### ltalian job

After his six-year stint as chairman of the Conservative Party— "really hard work, that"— former Tory Chanceflor Lord Thorneycroft has turned with renewed zest to his business

career.
At the age of 72, it seems, politics, like his painting, is now to be pursued at leisure and mainly for pleasures. But yes-terday he extended his already extensive Italian connections by joining the vermouth company Cinzano as first British chair-man of its UK subsidiary. The job seems to fit comfortably alongside his position as presi-dent of hotels group Trusthouse Italian business link as chair-

man of Pirelli. Thorneycroft, who is married to an Italian countess, was wel-comed by Cinzano's UK general manager Marquis Edoardo Ferrero as "an important ambassador weihin the British business and financial community.

Count Cinzano was also on hand to greet him yesterday— and to bring marketing man Nick Turnbull and company secretary John Shearn on to the board in preparation for another year's battle with Martin for the £260m UK vermouth market.

The company's sales campaign will again be spearheaded by the popular TV ads in which Leonard Rossiter liberally showers Joan Collins with Cinzano's products. Whether, now that Thorneycroft has arrived, Cinzano will continue to use such politicised slogans as "rid your cabinets of wets " remains to be seen.

#### Called back

I have written before about the Treasury's Rent-a-Mandarin service. It has placed more than a dozen people in strategic industries during the last couple of years. Admirable motives are relative restraint exercised by ascribed to the programme. The Saudi Arabia.

side the nest, and the wisdom of Whitehall rubs off upon the lucky recipients of the young -But now it seems that the

Treasury is too short of strong young birds to let them fly freely for long. Martin Hall, aged 36, has been called back to base early to become the new head of information at the Treasury. Just 21 months ago he left the plum post of private secretary to the Chancelior. Sir Geoffrey Howe, to begin a secondment of up to three years as head of commercial affairs at the Engineering Employers

Nothing leaves a Chancellor feeling quite as naked, however, Forte—and with his other as the absence of a press secretary. And the present holder of the post, Rosalind Gilmore, is leaving on May 1 to join Dunlop. So Hall has been asked to return to Great George Street ahead of time. When one looks back at the recurring world financial crises in August and September in recent years, it is obvious that a prudent Chancelior will want to be well guarded during what we used to think of as the holiday

#### Alter course

The closure of the naval dockyards could also prove to be the salvation of the towns that have been host to them ever since Sam Pepys took charge of the Royal Navy. At least, that's the consoling view from White-

Chatham on the Medway is broke the boom and sailed un economy. Dawson Penn, manag-the river Medway. Portsmouth, ing director of India, a cloth-which has always seen itself as, ing retailer in the town, says an island city only tenuously he expects some 25 per cent of an island city only tenuously the expects some 25 per cent of tinked with the mainland by bridges, has a tight-packed population of about 800,000. The city will lose about 10,000 jobs directly and indirectly as a result of the new blows of the Ministry of Defence or other. Ministry of Defence exe upon ments have held back develop-



"So much for his 'Can't pay -won't pay' campaign.I'

Royal Naval bases announced yesterday by the First Sea Lord Admiral Sir Henry Leach. Chatham has a reservoir of skilled people trained at the MoD's expense. Also the town

between London and the main

Channel ports. Portsmouth will not ride the blows so easily. Although the naval base including HMS Vic-tory herself, will remain as a destined to lose several focus for naval affairs the thousand jobs in the biggest closure of the dockyard will assault since the Dutch fleet knock a hole in the local

ment locally. Portsmouth has played host to new high technology industries in recent years including the national headquarters of IBM and the expansion of Marconi. The release of resources by MOD is seen by local optimists as a rare opportunity for the city to de-velop faster as a high technology centre.
The key to Portsmouth's future prosperity seems to be

the further development of cross-Channel links and the willingness of the navy to release surplus land for industrial and commercial development. Already some locals are saying that Whale Island in Portsmouth Harbour — the sacred turf of naval gunnery - could make a splendid roll-on-roll-off terminal.

#### Top billing

April' fools' day is not an auspicious date on which to hold the second reading of the Lloyd's Bill in the Lords. Already it is difficult to open the door of the private Bills office there because of the volume of petitions for changes to the Bill.

But if there is open opposition in the Lords to the Bill. the legislation will be defended by Lord Windlesham, no stranger to a fight as a director is strategically sited upon deep of Lord Grade's Associated water and is on a direct line Communications Corporation.

#### Know-how

A reader tells me that when the TV set in his Kensington hotel room stopped working, he dutifully obeyed the instructions on a notice by the control panel: "Do not attempt to rectify faults. Please ring for TV technician."

An assured young arrived and mended the fault swiftly and surely — he gave the set a sharp kick with his left foot.

**Observer** 

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<sup>4</sup>ch 24 1982

### FINANCIAL TIMES SURVEY

Wednesday March 24, 1982

## GOTHENBURG and Western Sweden

The region, the country's biggest engineering and transport centre, has been harder hit by recession than the rest of Sweden but is fighting back. Concerted action by local authorities and businessmen has resulted in new technical skills being developed and new companies formed. Survey by William Dullforce.

### Struggle to hold on to jobs

By William Dullforce Nordic Correspondent

WEST SWEDEN is a region containing the country's second city. Gothenburg, and stretch-ing from the Norwegian border in the north to the port of Halmstad to the south. It is the home of just under a quarter of the Swedish people.

The region's industrial tradition is somewhat different from that of the rest of Sweden in that it was based originally more on engineering skills and inventiveness than on the exploitation of local raw materials such as iron ore and timber.

Its business and trade were much influenced by links with Britain and it developed an industry and workforce very similar to those of British and other West European industrial centres.

As a result the region has been harder hit than the rest of Sweden-with the exception of the steelmaking and iron mining areas—by the depres-

atlantic deal.

sion of the 1970s and the grow-ing competition from Japan and the newly-industrialised countries. The central govern-ment has had to pour money into the shipyards to maintain jobs and avert the threat of large-scale unemployment.

But the region is fighting back. Concerted action by in-dustrialists and local politicians has brought about a recovery, though a fragile one. It is not too much to say that Sweden's contemporary industrial drama is being enacted here in Gothenburg and West

It is the country's biggest engineering centre, the home among others of Volvo, by far the largest single enterprise in the Nordic area. Some 57 per cent by value of the industrial goods manufactured in the Greater Gothenburg area is exported.

The city has the biggest port in the North. It takes more than a quarter of Sweden's own trade and is an important transport centre for other handling Nordic countries. goods for Denmark, Finland and Norway.

In the 1970s two of the three big shipyards in Gothenburg closed down. Car production, which is crucial to employment in the region, vacillated. Shipowners were in severe financial straits and inland the textile and clothing mills struggled and wasted.

Unemployment in the region reached a new peak in January but the remaining big shipyard in Gothenburg, now building offshore platforms instead of

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Landvetter Airport

Storage and handling

Gothenburg port

Banking

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ships, has a much fatter order book and could be back in profit this year. Volvo surprised the world car markets last year by selling more cars and capturing larger shares of declining markets. So did Saab, which also produces cars

in the region. Earnings at SKF, the roller bearing multinational with headquarters in Gothenburg, were pinched by losses on its steel business in 1981. But after taking some years to re-organise

fully defending the commanding heights of the bearings business against the Japanese.

gardst the Japanese. The projections up to 1985 of ESAB, the welding equipment the local labour offices do not mammacturer which is the promise any big decrease in un-fourth-largest industrial employer in the area, appeared three years ago to be doomed by the collapse of its main custo-mers, the West European ship-yards. Last year it went on the attack, starting to buy up foreign companies and to take bigger market shares.

removed.

factors, such as developments in

the present anti-socialist coali-

the region are lower than they

were at the beginning of the 1970s. But among West Swedish

industrialists and businessmen

the mood is swinging back to-wards optimism.

In explaining this shift of

mood local patriots stress the

offered is that greater political

realism is to be found in West

Sweden than in the capital. It

congresses last year trade union

Gothenburg area spoke in favour of policies that would

promote industry and create

jobs against the more ideolo-

gically motivated contributions

true that at national

The turnround in the established concerns represents a tion with a Social Democrat consolidation, in some cases as administration. Expectations in in the shipyards at a lower level of output and employment. It has been achieved partly by introducing production methods adjusted to the realities of Swedish labour costs and by hard work on improving pro-

Local authorities and busidifference of West Sweden. The nessmen in the small townships region, along with the rest of of the region as well as in the country, has experienced Gothenburg are working tostrong growth in the public secgether to exploit latent technical tor in the 1970s, but the overall and management skills and new trend has not been quite so companies are being formed. sharp. And bureaucracy is said. The number of electronic conto be less pervasive in Gothencerns has doubled in the past burg than elsewhere in the burg than elsewhere in the three years, country.

A theory more tentatively Among the most interesting

new developments are efforts to harness the resources of the Chalmers Technical University in Gothenburg to industry. Another is based on the idea of exporting the city's knowledge of transport and materials handling. A group of companies manufacturing handling equipment both for factory producchannels has been formed.

CONTINUED ON NEXT PAGE

is

representatives



### Trade links which brought the British

GOTHENBURG (Göteborg in Swedish) is the only Swedish city with an English name, one which the Gotkenburgers themselves prefer to use when speaking or writing Englisk. The term "Little London" was first applied to the city in a local newspaper by the Swedish writer and dramatist August Blanche, in

satiri**cal** teasing local citizens for apeing the ways of the British, originated the jokestill related to visitors-that when it rains in London the Gothenburgers put up their umbrellas. But it was more for the trade connection than the rain they shared that the appellation "Little

However, it is the Scois

exercised the major British influence on West Sweden. They started to settle there in the 18th century and several West Coast Swedish families still hear Scottish

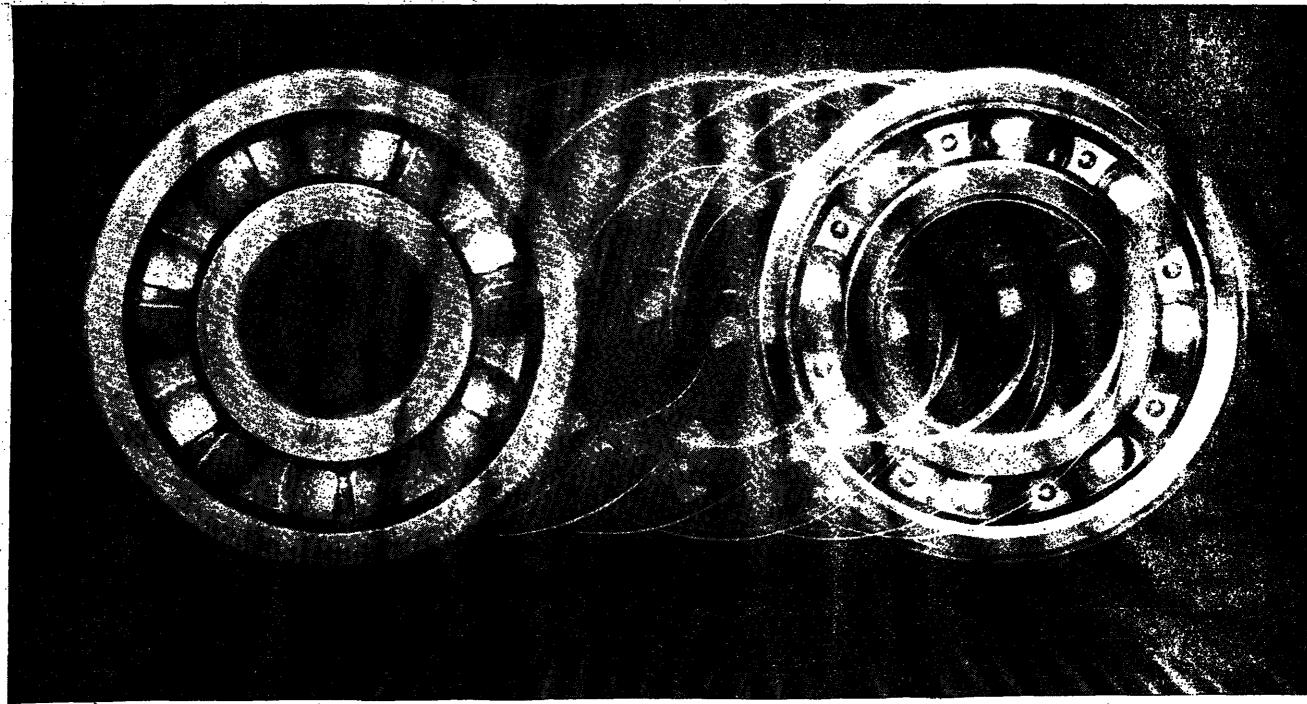
A Campbell, rejected by the snobbish East India Company of Lendon, got his own back by setting up a husiness under the same name in Gothenburg. A sugar refiner called Carnegie established the first brewery. Another Scots family, the Dicksons, was the first to start exporting Swedish timber in a big

At Uddevalla to the north of Gothenburg, a private restaurant now occupies the family home of the Thor-

lined with books, some of them hoys' adventure stories in English from the late 19th

century. Thorburns the Scottish descendants who in the second balf of the 19th century organised the oats trade with Britain, exporting not to their former homeland but to the English for feeding their horses.

Scots helped to Gothenburg into an indus-trial and shipping centre in the latter part of the 19th century. The engineering works founded by Alexander Keiller and William Gibson later became the Götaverken shipyard, now the only survivor among the city's big



### The tale of a rolling revolution. This in turn frustrated a young textile engineer into de-

Legend has it that in the days of the industrial revolution the only way of getting spinning machinery out of Scotland to western Sweden was to smuggle it out with the whisky.

If true, this illicit trading was a stroke of

luck for us all.

It kept a Gothenburg textile industry alive and flourishing until powered machinery came of age and showed up the shortcomings of engineering and rudimentary bearings.

engineer into de-

vising a bearing that would keep spinning frames working most of the time instead of only part of the time. And as machine shafts never seemed to be

in line with bearing housings, he also invented a bearing that would line itself up with the shafts. Which is how he started SKF.

Since then we've invented or developed virtually every kind of rolling bearing and a few other kinds as well.

We established the modern theory of bearing life that later became international standard. Like much of our basic work.

We processed bearing steel to a degree of purity that is still not surpassed. And developed grinding machines of a precision never seen on the open market.

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Bragging? No. fact. As a result we supply some 20 per cent of the world market. With miniatures weighing three hundredths of a

gramme to bearings 5(0) million times heavier.
In applications from spinning spindles to NASA's space shuttle.

All of which is a long way from the revolution in rolling bearing technology we started

the Scots. We ease the friction of mechanical movement.

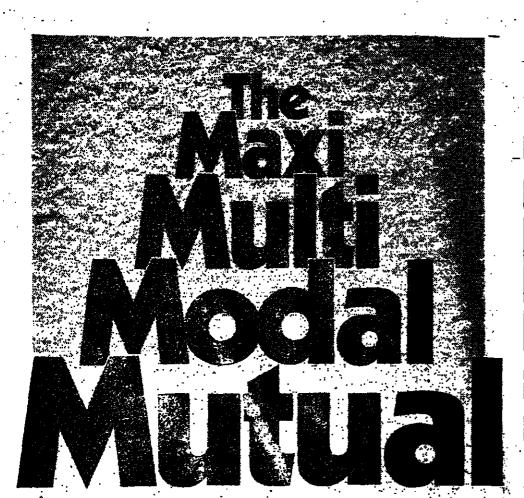
And even longer from illicit trading with





Financial Times Manday March 22 1082

### Trading houses open new markets



the swedish club

P.O. Box 4094, S-400 40 Göteborg, Sweden Tel, 46(31):24520 Telex 2504 Swclub S. ...

sell everything." is how manage generate profit. ing director Anders Hedberg describes the activities of his trading houses are a distinguishing characteristic of Gothenburg and witness to the city's long tradition as the the Nordic area.

There is a particularly large he says. accumulation of traders in Gothenburg. It is the home of two of the country's biggest houses, while other Swedish companies find it necessary to operate there in strength. The tradecs' role in providing the commercial link between the producer and the consumer or end-user makes them a significant asset at a time when West Swedish business is looking for new export products and out-

#### Effective

The Gothenburg trading houses' tradition is to work globally rather than to specialise in markets. They are particularly effective in areas beyond Sweden's heavy markets in Western Europe, are well established in the Far East and Latin America, and have been are looking for new markets.

A large part of their business volume is in pulp, paper and other forest products and their traditional role has been to cover the more distant, less concentrated markets where it

started as merchants they have

WE MAKE NOTHING, we very few assets on which to over last year was about

Mr Arne Ahlström, managing director of Ekman, the other company, Elof Hansson. Its big Gothenburg house, makes a similar point when he stresses that investment in "creative people" is the essence. A trading house's flexibility and shipping centre for Sweden and ability to open new connections relies on the human element,

Ekman dates back to 1802 and traded initially in herring. The West Coast herring disappeared in 1808 but Ekman struck lucky when Napoleon tried to ruin Britain by closing Europe's harbours to its trade. Sweden was for a time the only country able to handle English exports and imports with the Continent and the company experienced golden times.

For most of the 19th century Ekman's main business was in iron, with England initially as the main market but eventually the company sold iron to a number of countries. When pulp-making became a major Swedish industry early this century pulp quickly became Ekman's biggest commodity. It now has a large timber trade

Since 1965 Ekman has been building up in the Middle East, owned by the Safvean invest-This again lends their activiment company. It remains ties extra significance when so primarily a trading house with many Swedish manufacturers more than 80 per cent of its more than 80 per cent of its staff outside Sweden but it has developed a small industrial

Its most important markets are North America and the Far East. Of some 670 employees concentrated markets where it 116 were in Hong Kong and 108 does not pay the mills to in Thailand in 1980. Total turnestablish their own organisations. On the whole, too, the Gothenburg traders stick to their last. Unlike others who

Elof Hansson is still a family not bought plantations, estab-lished production units abroad its earnings but Mr Hedberg or run their own shipping lines.
The result is, as Mr Hedberg lender to the banking system" again remarks in Elof and the company is understood Hansson's case, that they have to make good profits. Its turnSKr 3.5bn.

The company was founded in the 75-80 per cent of Elof Han-997 by Elof Hansson, a sson's sales outside Sweden Hamburg. He started trading in pulp but moved his business to Hansson, now controls the com- Sao Paolo.

Britain) and consumer goods and exports of heavy pulp and paper making machines.

farmer's son working as a clerk includes a growing proportion in a sugar company office in of trade between two foreign countries. It handles, for instance, pulp and paper from Gothenburg at the outbreak of the U.S., Latin America and the 1914-18 world war. His Australia. Its largest subsi-youngest son. Mr Bo-Elof diaries are in New York and

In the early 1970s several Pulp and other forest products still contribute half its panies tried to organise their business. The rest "covers the own worldwide sales. They lot " in Mr Hedberg's phrase, now appear to have changed embrating imports of medical their minds. "The marginal gauze from China, textiles, markets for our customers are venetian blind materials (for best markets. We can conbest markets. We can con-offices and banks. It has centrate on the tricky markets delivered such packages to where you need the language girls' schools in Saudi Arabia and local expertise," Mr Hed- and a Kuwaiti hotel.

Only about a fifth of turn- berg explains—and it turns over comes from imports and out cheaper for the producers.
the 75-80 per cent of Elof HanElof Hansson has a particu Elof Hansson has a particularly good reputation in China. It recently organised a 10-day 100 Chinese specialists. It also does considerable business in Eastern Europe and tries to cover every conceivable market

in the world. Recently, it has been trying to develop sales of "commercial packages" which can be either complete production lines or the organisation from design to installation of interiors for hotels, restaurants,

Profile: Ake Norling, Governor of Gothenburg and Bohus

### Knowing how to compete

"WE CANNOT compete with Ireland and Southern Europe in making simple things in big quantities but we have the right technical background for product development and can offer a good market for advanced technical equipment. We have excellent tradsport facilities and trading houses which can help exporters to seach markets more exporters to reach markets more easily than from anywhere else in the Northe area."

That is now Mr Ake Norling. Governor of Gothenburg and Bohus County, describes the advantages of doing business in West Swelen. A Moderate (Con-servative) politician, he was Mayor of Gothenburg before being appointed to his present

He vis outspoken about Gothenburg's economic crisis: industrial expansion really stopped in the mid-1960s, he says, valthough it was not observed then. Wage costs grew faster in the city than in other parts of Sweden and he remarks companies Were induced to move out of the area by the government's regional development policy.

Now, however, Gothenburg is sceing a revival of the spirit of enterprise, the Governor believes. He cites a recent visit to an offshore trade fair in Singapore, where 16 Swedish companies exhibited, 10 of them from Gothenburg.



spoken about crisis

the Stena shipping line, ordered four offshore supply ships at cheap prices from the troublestricken Oresund Yard in South Sweden and is now doing good business with them in foreign waters.

Mr Christer Ericsson, a ship's officer who came ashore and Dutch visitors had discovered founded the Consafe company, the pleasures of the island belt, saw before anyone else the so why did not more British opportunities for offshore accommodation platforms. He along the coast? They would He quotes with admiration ordered his first from a city find better holiday facilities the initiative of two shipping repair yard and then gave the than in the UK and prices were men. Mr Sten Olsson, owner of Götaverken its "kick off" into now cheaper, he said.

the offshore business by order-ing a larger one from them. Industrial operations in Gothenburg were too tightly

integrated with the automobile plants and the shipyards in the past. Mr Norling explains, Volvo alone provides 20,000 jobs. It had done well in the last couple of years but, if its foreign sales faltered, it could be disastrous for the county. The Governor remarks that he already has 14,000 people without jobs.

The city authorities had put a lot of work and money into helping companies find new ideas and in backing new pro-ducts but this had not affected employment situation greatly. The answer, Mr Norling suggested was to stimulate small industry and to bring new types of production into

The Governor had no doubt of Gothenburg's future as a transport centre. The port had developed sophisticated freight-handling methods, trouble with the unions was being overcome and communications by road and rail from the port were

good.

Mr Norling is also chairman of the local Tourist Board. He deplored the lack of visitors from Britain. German and Dutch visitors had discovered think of renting a small cottage

### Struggle to hold jobs

CONTINUED FROM PREVIOUS PAGE

Gothenburg, too, is said to have retained more blue-collar attitudes within its labour force in contrast to the white-collar growth in other Swedish population centres. It has two teams in the elite football division and matches in Gothenburg usually attract larger crowds.

The preservation of Bluecollar traditions may derive from the prominence of the engineering factories and the large number of Finnish and Yugoslav workers within the area. Many graduates from the university move outside region to find work.

In other ways West Sweden conforms fairly closely to the national picture. In Gothenburg the Speial Democrats are by far the biggest party but the gap between the socialist and nonsocialist. camps is very small and power in the local authority switched in both 1976 and 1979. Currently there is a slight non-socialist majority. Although conforming again to the national nattern, the Moderates

(Conservatives) are now the biggest on the non-socialist side and there is a strong Liberal and there is a strong materal tradition in Gothenburg. Mr Pehr Gyllenhammar, Volvo's managing director, has just been elected to the Liberal Party's national executive.

Greater Gothenburg has a growing population approaching 700,000. Depending on which definition you choose, West Sweden as a whole contains between 1.4m and 1.9m people or between 17 and 23 per cent-of Sweden's total population.

to include the whole or parts

of five counties. Inland it

#### Difference Usually West Sweden is taken

extends to the borders of Lakes Vanera and Vattern, incorporating forests to the north, farming to the east and the textile and engineering town of Boraas. Geographically and historic-lly the region exhibits one significant difference from the rest of Sweden: it faces the North Sea. Its trade, history and horizons have been to the West while other Swedes have tended to focus on the con-

point were the Gota River flows into the Kattegat (the arm of the sea between Sweden and Denmark linking the North Sea with the Baltic). They were given trading rights in return for financing the building of the new ports

The Danes controlled the provinces immediately to the north and south. To defend the port, the Dutch built ramparts and moats which still determine the shape of the city centre. From the 18th century

onwards, however, the major foreign influence came from the British, above all from the Scots, who settled on the West coast, many of them as mer-The west coast links with

Britain were consolidated during the Napoleonic Wars at the beginning of the 19th century when for a time Gothenburg offered the only gap in the Freuch blockade against British trade with the continent. Nowadays the British connec-

tion is less prominent. The last of the Swedish Lloyd ships, which operated the passenger line between Tilbury and Gothenburg for well over a century and whose arrivals in the inner harbour punctuated city life, docked in 1977. Mr Ake Norling, the governor of Gothenburg and Bohus County. asks regretfully why there are not more British visitors.

Perhaps there will be, if the city's engineers and shipowners are successful in their drive to break into the offshore business. But Mr Norling was thinking of the tourist trade: more Germans and Dutch than British now savour the pleasure that a holiday in West Sweden can offer.

With a population density in the area of only 19 to the square bilometre, there plenty of space. The archipelago of islands down the coast is ideal for sailors and fishermen. Golfers can find 15 well-kept courses Gothenburg. Tourism undoub-

tedly has unexploited potential. The real reason that the tinent and the East. Among British connection is decreas-foreigners the Gothenburgers ing in importance is that West have been closest to the British. Sweden has to look further ing in importance is that West Sweden has to look further of the city. In the 1620s they centre. Britain is still a major years ago.

helped build a harbour at a market for Volvo cars and trucks but the company now sells more cars in the U.S. and it has just bought itself a share

of the U.S. truck market. West Sweden has to find new markets for its industrial products and Gothenburg has to defend its standing as the principal port for the Nordic area. The competition is intense in both fields.

Even within the region Uddevalla to the north and Halmstad to the south are chipping away at the primacy of Gothenburg port while still further south Heisingborg is building more harbour facilities. Greater Gothenburg is being spurred by the need to reap a pay-off on the heavy investment in its new Skandia harbour and

#### the airport at Landvetter. Ventures

Industrially, the region needs new ventures and enterprises. A few large companies provide per cent of the industrial jobs in the Greater Gothenburg area. Their strategies are inter-national and they cannot be expected to expand manufacturing bases in West Sweden.

More money is going into the petrochemical centre at Stenung sund. Of the three refineries on the coast one, the Scanraff refinery at Lysekil, has already decided to invest in a new cracker to boost output of the more valuable light fractions. British Petroleum is considering similar investment in its refinery.

The refinery investments will give work to construction companies for a time but they represent adjustments to market demand rather than expansions. In the longer term there may be room for an expansion of petrochemical output but in the present state of the West European petrochemicals business that can only be problematical.

It is always difficult to spot young companies with the right products and growth potential. What can be said is that both in and outside Gothenburg the climate has turned into a more favourable one for business enterprise. That is no mean It was the Dutch, however, afield to preserve its dynamism remembers the cloud hancing who were there at the founding as an industrial and transport over West Sweden only four



is still the one used eight decades later, to handweld the common range of metals together. With a little thought there is not much in the world which is not welded into a part, unit,

Oscar Kiellberg's initials OK are used as the brand name of the ESAB Group's handwelding electrodes sold worldwide. ESAB are equally known as suppliers of welding machines which cover from the smallest transformers through robot welding equipment to welding plants and turnkey electrode factories.



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مكذا مندلأصل

### Industry turning the corner despite rise in jobless

WESSWEDEN has been one try, although its importance is profitable concern, is. The it acts as a barometer a major problem. or the coess or failure of current manal policy, which aims to restle economic balance by boostin both industrial output

The Production of the Control of the

rd Schus

The ust characteristic industry is echanical engineering with patcular emphasis on transportingly the building of cs and ships, as becomes an area containing the biggest let and transport centre in a Nordic area.

Both projection and employment lean savily on a few big companies, making what Mr Lennart Jeansson, managing director of XF, the roller bear-ings group, alls "classical" or "mature" roducts facing in-tensive committion on inter-engineering is for national marks. They make big demands on production effi-

of the country's most vigorous smaller than in some other developing more advanced showed a good eye for a cent for Sweden. and productive industrial regions. A declining textile and cameras, but it is so far rather business opportunity when The employment regio Its people are now try- clothing industry, centred on an exceptional enterprise for building up his group. ing telemonstrate that it still the town of Boraas, constitutes

boostin both industrial output an industrial growth point.

The region contains no "silicon valley" but Ericsson, the telecommunications group, has a factory there and Saab-Scania is developing its space and marine electronic operations in the Gothenburg area. Small applied electronic com-panies, many of them developsmall applied electronic companies, many of them developing transport techniques, have owned by the bearings been springing up fast over the past three years.

The flag of light precision engineering is flown in the very heart of Gothenburg, where Hasseiblad makes the single-reflex cameras which U.S. The region butains a con- astronauts took to the moon, siderable forest products indus- It is a highly successful and

West Sweden. Gothenburg's history displays an interesting continuity. Seventy-five years ago, when the textile owners had problems with misaligned Opinions vary about its future, ball bearings in the drive shafts oall pearings in the crive shafts of their machines, because their factories were built on clay soil, Sven Wingqvist invented the self-aligning spherical bear-ing and started SKF, the lead-

ing bearings group. In its turn SKF financed its sales manager and an engin-eering colleague to build Sweden's first car in the 1920s

. In both cases the child outgrew the parent and one can speculate about which child will emerge from Volvo's womb. Chances of a new birth may will emerge from Volvo's womb. trouble. Aggregate taxable Chances of a new birth may income grew by only 15.2 per have improved after Volvo's cent in the four-year period marriage with Beiterinvest 1976-79 compared with 33 per

#### Vitality

Although the weight lies in the big companies, the Greater Gothenburg area boasts 2,300 manufacturing concerns, of which only about 100 have more than 50 employees. Almost 60 per cent of the output of those 100 is exported.

The vitality of Gothenburg's industry was demonstrated well into the depression which started in the mid-1970s. Between 1970 and 1978 its companies recorded bigger growth in both sales and added value than industry in the Stockholm area and bigger than average for Sweden as a

Towards the end of that period, however, industry in Gothenburg had run into trouble. Aggregate taxable

steadily whose chief, Mr Anders Wall, cent in Stockholm and 21.2 per of jobs in the private sector.

the country as a whole, but between that year and 1980 the private sector lost about 15,000 jobs, of which 7,000 belonged to

the shipyards. Since then the rot has been stopped Volvo took on more workers last year, as it expanded car production, and the other big companies have stabilised both production and financies. The one remaining big shipyard appeared to have turned the corner by a successful switch to building offshore

platforms. However, people without jobs in the reduced the numbers they region is bigger than ever, approaching 4 per cent of the labour force which is about, or

The pressure is on to create can do for themselves. The employment figures tell more jobs in private service

exposed to fluctuations in other countries' economies and 10 competition from newly-industrialised countries. The smashing of the shipyards in the 1970s is the cruellest evidence.

#### Decision makers

Some of the biggest com-panies, Volvo, SKF and ESAB, have shown over the past two vears the resilience needed to cope with and consolidate their osition on receding markets, but SKF and ESAB have both

employ in West Sweden. The message has been heard. The region is subject to national marginally higher than, the policies affecting industrial cost and regional d national average. The constraints on state spending mean that the public sector can no longer absorb those pushed out authorities and bankers have and commerciant and regional d and re

got together to see what they Mr Ulf Gustavsson, director mers and to carry out a pre-

try attractive again but also to tions backing the project and, cussions.

He has a staff of 17 working in three units, one of which handles industrial sites and premises. Another works with local decision makers" to analyse possibilities and stimulate new business. The third unit has brought local transport companies together in a "fourdation" to exploit the region's considerable resources and experience in transport.

Export Vist is a project ness organisations, the banks centred on the Gothenburg and local authorities.

Chamber of Commerce but involving the Office for Industry and Commerce, the local banks and regional development funds. Its aim is to discover export opportunities in local companies and to help the companies to stimulating industrial enter-

The banks have undertaken to examine their corporate custo-Gothenburg's Office for liminary diagnosis of potential a similar story. Employment companies and in industry. But of Gothenburg's Office for climbed faster in Greater with such a high proportion of Industry and Commerce, says its output going to export, the basic philosophy for this then worked out bringing in the country as a whole, but West Sweden is strongly activity has been to make industry. But of Gothenburg's Office for liminary diagnosis of potential exports. An export programme is then worked out bringing in the country as a whole, but West Sweden is strongly activity has been to make indusis then worked out, bringing in bring some realism into dis- if need be, calling on the big companies and consultants for

> Started at the end of last year, the project has already helped 33 customers. The target is to reach 150 to 200 potential

exporters in the first instance. The leap for new industrial growth and diversification in momentum. What is impressive is the collaboration that has developed among private busi-

survey describes a few of the major enterprises in the region, some declining and potentially expansive industrial branches and two projects aimed at

### Offshore orders generating confidence for shipbuilders

SHIPBUILDING WAS the epitor," which comprises units that centre of the econonic shock are expected to stand on their that West Sweden strained in the mid-1970s. The yards, Mr Erland Wessberg, Swed-by Svenska Massan, the Swedish the mid-1970s. The yards, geared to building massive tankers and handling ormous quantities of steel, stutered to a halt when the management wessberg, Swedyards managing director, says that the Arendal yard now has quantities of steel, stutered to a halt when the management wessberg, Swedyards managing director, says that the Arendal yard now has quantities of steel, stutered to

In Gothenburg about \$,000 jobs were lost in the shippinds between 1976 and 1980 in spite of large injections of pullic furis to staunch the losses. A further 2,000 are estimated to have disappeared among subcontacting companies.

Of the four big yards in the heavily burdened of area oly one, at Uddevalla, now of interest charges. continues to build ships. Two are clised and the fourth, the Götaveken Arendal yard in Gothenurg, concentrates - on offshoreengineering. The state has take over ownership of all but the mallest yards.

switch ias been completed, the yard tuned in an encouraging. profit 1st year and has been transfered by its parent com-

quantities of steel, stufered to a half when the market for tankers collapsed following the 1973 oil price increases. \ "a very sound platform" but is still not running to its full mechanical handling capacity and "we shall be very careful

about creating new jobs." Swedyards itself, which embraces several other Swedish yards including Kockums in Malmö and the doomed Oresund yard in Landskrona, continues to struggle financially. It is desperately overgeared and heavily burdened by the weight

#### Change

The restructuring plan adopted in 1980 should put the group at breakeven point by the end of 1984. Change so far has been quicker than expected It was only in 1978 that but has cost more, Mr Wessberg Arendal set about looking for explains. Swedyards badly offshore work in earnest. The needs new share capital from

Arendal's breakthrough into the offshore market, however, is one of the factors currently

trade fair, in the city last year.

To a large extent, too, Gothenburg has to thank one man, Mr Christer Ericsson, for the offshore breakthrough. Founder of the Consafe company, he was the first to detect the market for offshore accommodation platforms and to place an order with the small Cityvary.

Since then Arendal has received six orders from Consade, which has been its biggest customer. All the other con-tracts for semi-submersible rigs have been made with Norwegian owners. Currently, Arendal has orders for eight rigs, valued at about SKr 3.2bn (\$556m), one being a conversion job. The yard was lucky in that.

when it moved into offshore in

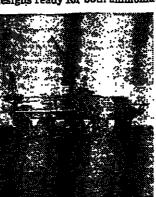
1978, it caught the oil rig market on the rise. It took orders for jack-up rigs from Salen Energy of Sweden and from Mexico, then built "pacesetter" semi-submersibles under licence. But the most promising development has been the sucpany, he state-owned Swed generating renewed confidence cess of its own designs, the yards, t its "commercial sec- in Gothenburg. The optimism GVA 4000 drilling rig and the

The timing was right again because the design work was carried out just after the accident to the Alexander Keilland designs ready for both ammoniarig on the Norwegian Conti-nental Shelf. Arendal was able to work closely with Den Norske Veritas, the Norwegian marine insurance company, to build in new safety features.

The accolade for Arendal's design came last June when Cammel Laird of Britain took a licence to build a GVA 4000 for Dome Petroleum of Canada which will operate the rig in the British sector of the North Sea. The Swedish yard displayed its new-born confidence by buying Sea and Land Pipefines, Britain, as a step in its bid to break into the platform modules field.

A project which still has to bear fruit concerns the building of prefabricated, offshore petrochemical plants, which would be shared between Arendal and Kockums in Malmö. Contracts with Iran and Pakistan have fallen through but Swedyards Development Corporation has negotiated pre-liminary contracts with Thailand and Bangladesh which now

Swedyards, which co-operates with the Danish engineering company, Haldor Topsoe, has as floating offshore production



This accommodation and multi-service rig, delivered in 1980, was built by the Götaverken Arendal yard. The yard was lucky in catching the oil rig market on the rise when it moved into this field four years

-ago

GVA 2000 accommodation plat- depend on finance being urea and methanol plants, which would be built in Sweden on barges and towed to the site either for beaching or to serve

> It is unfair, however, for the excitement roused by the switch to offshore work to overshadow the tenacious success of the shippard at Uddevalla, 100 km north of Gothenburg. This is also part of Swedyards and con-

tinues to build ships. Product development has been the key to its ability to survive in a business abandoned by other yards. Uddevalla has designed new types of bulk carriers and tankers characterised by small draft, relatively large beam, extremely good operating economics and flexibility in handling cargo.

The new hull forms on its 81,000 dwt Aframax tankers 55,000 dwt OBO carriers and other innovations providing fuel economies have attracted shipowners even during a time depressed markets for tankers and carriers. On its latest orders Uddevalla has been able to obtain prices which promise to put the yard into the black again.

#### A FAMILY-OWNED SUCCESS

THE MATTSSON GROUP of Tiddevalla has demonstrated how a small private operator can survive successfully in shipbuilding despite the crisis in the industry. It has been flatteringly described in an OECD report as the possible future face of West European shipbuilding.

It is a family-owned company founded by a former designer at the Uddevalla shipyard, Mr Gustav Mattsson, and now owned jointly by him and his son. Originally it worked as a design office hefore spreading into out-fitting, installation and section building work.

Then, as Mr Matisson tells the tale: "When others stopped building ships in the 1970s, we started." With about 1,000 employees and no sub-contracting orders Matt-sson started to build fishing boats for Icelanders, coasters for Norwegians, barges and special dredgers.

In 1980 the group achieved earnings of SKr 11m on a SKr 220m turnover and

decided on a SKr 50m investment in new plant, Mr. Mattsson admits that he has benefited from Government financial support to the shipyards, but points out that if you operate in a system where most builders are getting support you have to take it

too, to be able to compete. The Mattsson group is in fact a conglomerate of small businesses with a wide pro-duct and geographical spread and great built-in flexibility. It does not even have a proper ship-building dock: its yard at Marstrand uses a technique of lifting hulls into the sea from the engineering work-

In addition to shipbuilding, the group is engaged in mechanical engineering, in sub-contracting, in different forms of steel work, and in modernising and rebuilding pulp and paper machines. It also has a development company which has just produced the "hamster" a mobile sewage disposal system, and is testing a new skimmer for dealing with oil spills.

othenburg and Western Sweden has been a Skanska stronghold for many years. And our designand construction activities in this region comprise every kind of housebuilding road construction and civil-engineering project. For clients of all categories.

For industry and trade we carry out everything-from complete production plants to extensions and alterations. As well as commercial buildings of all types and sizes. Among our clients you'll find Svenska Handelsbanken; SKF and Volvo.

We also do all types of harbour design and construction works-as well as special assignments for the offshore industry

Landvetter International Airport. Euroway 6 and the Tjorn bridge are other examples of recent Skanska engagements in the Cothenburg region.

The Torn bridge was designed and constructed by us at . Skanska in just 17 months. Which makes it the world's fastest bridge construction project. A normal schedule for a bridge of this size and nature is about 3.5 years.

So, in terms of time it is a typical Skanska project.

Through our many years in construction we have delivered a large number of technically advanced projects on very tight schedules. And often



This is the GVA 4000.

and Dome Petroleum of Canada.

The largest rig on the market; a rig which meets the

rigorous safety and stability requirements set by the

authorities in Norway and in Britain.

Built to cope with the worst conceivable weather conditions on the most exposed seas in the world.

GVA 4000 is a good illustration of Götaverken Aren-

dal's development capabilities. The engineering side possesses major resources and the company is today one of the largest builders of semisubmersibles in

to be far-sighted enough to order the GVA 4000 in order to obtain the best possible safety and stability in their work of oil and gas exploration. They are: Wilh. Wilhelmsen, Norway, the Ugland Group, Norway

in know-how, design, material and solutions for the future.

Three companies have already shown themselves

All three customers have assessed the advantages of the GVA 4000. They have also assessed

and evaluated the resources available within Swedyards. Resources which give the highest quality

THIS IS SWEDYARDS:

A group of 20 companies with their sights set on the future, seeking creative solutions to every

problem within the areas of shipbuilding and ship repairs, the offshore, petrochemical and pulp and paper industries, energy systems and various other fields.

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Götaverken Motor, Götaverken Aluminium, Götmodul, Wind Turbine Systems.

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THE BANK BEHIN

SWEDISH OFFSHORE

Resources for the future.

Rinancial Times Monday March 99 1022

#### GOTHENBURG-WESTERN SWEDEN IV

Companies are having to cope with falling demand in European and American markets. The search is on for new opportunities.

His argument is that recent industrial development within the region and in Sweden as a whole must be put into historical perspective and that West Sweden, like the rest of Europe, must adjust to a lower

the American, the technological gap to the U.S. had been narrowed and growth was already levelling out.

The 6 to 8 per cent annual but structural change within a growth rates achieved by Sweden in the 1950s and 1960s were exceptional. Mr Johansson argues. In the first 40 years of the century, when living stan-dards gradually improved, the annual rate was 2 per cent or

In West Sweden the process

of adapting to a more moderate rate of increase has already started, in Mr Johansson's view. Most companies had "adjusted to the market place and to eco-nomic circumstances." It had become clear to people that the welfare state built up in the 1950s and 1960s "takes its tribute and we no longer have the money to go on expanding." Competition was tough and

Gothenburg had problems, but "Gothenburgers are not impossible people. When things go wrong, we react and get going." The city could not expect much growth in industrial em- for ever and in which you must ployment because the existing companies had to consolidate,

market economy would "hopefully" give rise to new indus-tries. SKF itself has reduced its employees in the area.

In the early 1970s SKF had chosen to "concentrate on doing what we all know well" rather than on doing something new because its products had matured. The choice had turned out to be "not so bad."

duction in volume," Johansson explains. This had been achieved by dividing up the bearings range into five factories in Europe, each of which developed its manufacturing techniques.

with the Japanese bearings manufacturers, he likened it to "a football match that goes on never underestimtae the oppos-



Lennart Joansson: calming ifluence

SAAB-SC.NIA

Cars a sales

success

SAAB-SANIA, the automobile and acospace group, is repre-sented in West Sweden at Trollhatan where it develops and produces the Saab 900 and turbrengined cars which have proved to be both a technical and sales success in the past two years.

it also has a base in West Sveden for the production of dectronic equipment for space and sales in the teeth of falling assets of White Motor's truck one of the potential growth demand in its main European business in the U.S. Volvo is points in the region's young electronics: provided the on-board computer which acts as the cortrolling brain in the European Space Agency's Ariane rocker.

It is also developing and pro-ducing Sweden's first satellite, a scientific research astrument scheduled to be launched by an Ariane rocket in 198 together with a French earth obervation satellite.

In marine electrones Saab

manufactures a system for ships' and a level gauge sytem for only one on the markt based nave been that the company is expanding its resources.

outpu pays off

SKF, WHICH celebrates its 75th anniversary this month, represents a classic Swedish case bistory of the ingineering innovation which gave birth to a multinational interprise. It now controls about a fifth of the Western world's bearings market and over the western the rest few years. ket and over the past few years has consolidated its position

has consolidated its position against strong competition from Japanese minufacturers.

To win this battle SKF has re-organised its whole production system, dividing utput among its European factories so that each concentrates or given types of bearings and can reap the advantages of volume output.

The bulk of SKF's production thus takes place outside its home city. The number working for the group in Gothenburg has declined from 5,400 in 1971 to 4,200 last year. In fact, there was a net increase in SKF jobs in the Gthenburg area last year but tils is not seen as marking a oversal of the trend.

For such a strategy to such ceed "you need a unique know-ledge of your business and pro-



factor of enormous weight in the industrial life of West Sweden and its performance last year contributed power-fully to the revival of confi-dence and buoyancy in the region. There were two crucial developments: Volvo turned round its car operation from loss to profit and by taking over the Beijerinvest group at home and the White Motor Corporaimage of going on the offensive. Volvo makes cars, trucks, aero engines and diesel motors

in West Sweden. It is by far the biggest employer and its imports and exports form a vital part of the flow of trade

**ESAB** 

and American markets. was not fortuitous. Volve-appears to have re-shaped its production apparatus to give greater productivity at announcement of its new, up-

market model, the 760, last month was another assertion of

rights issue.

depressed world demand last year but still generated earn-cars 1981 result is that it succeeded in raising both output cent of sales. By buying the

gambling on its own managerial competence but this is the kind of risk to be expected of a confident enterprise.
The merger with Beijerinvest

Car assembly at Saab. The group's turbo-engined

vehicles have proved a success in foreign markets

and the appointment of its circle, Mr Anders Wall, as Volvo oneirman to work in tendem with the managing director. Mr Pehr Gyllenhammar, was swallowed tentatively at first. Now the opportunities opened up by Mr Wall's financial expertise and by Beijerinvest's diversified trading, industrial and foodstuffs production are more fully appro-

# Volume

Nevertheless the company remains one of he biggest employers in West Sweden and the health of the group is important for the region's con-tinuing industrial sitality. SKF had been steadily improving its profit performance as it new organisation got into gear but last year earnings dipped by almost SKr 150n to SKr 805m (\$140m) on worldwide sales of SKr 13.6bn.

The decline was due largely to the problems of special steel manufacturing in Sweden. The bearings business, which accounts for dose to 70 per cent of turnover, boosted its profits again, which can be taken as a



TELEX:

TELEPHONE PORT DIRECTOR 52214770

burg, Papyrus produces fine papers and cardboard, How-

ever, a large part of the group's SKr 2.5bn (\$435m) turnover is

generated outside the region in

Papyrus is an enigmatic com-pany. It is a "Wallenberg" company and has for some time

been regarded as a likely

instrument for its chairman, Dr Marcus Wallenberg, to use in re-organising and consolidating

the group's forest product com

pace last month when Papyrus

turned in earnings of SKr 191m

for 1981 and raised its dividend

by SKr 2 for the second year running to SKr 10 a share.

Speculation gathered

North Sweden.

- situated on the west coast of Sweden

- liner- and bulkcargo

- a port with an experienced administration

 highly advanced technical outfit - highly skilled labour.

NECESSITY IS THE MOTHER OF INVENTION MR Tennart Johansson, SKF's managing director and the man bearings organisation in the last decade, exerts a calming influence in the discussion of West Sweden's economic crisis.

> growth rate. Industrial growth in Sweden would have slowed down in the 1970s without the impact of the they gave the country "a hell of a shock," Mr Johansson believes. By the end of the 1960s wage levels in Sweden and Europe had risen close to

**VOLVO** 

### Raising output and sales

BY SHEER SIZE Volvo is a tion in the U.S. acquired a new

through Gothenburg and the region. Last year it posted a pre-tax profit of SKr 1.4bn (\$243m) on a consolidated (\$243m) on a consolidated confidence. turnover of SKr 46bn. It then The truck business, which has shook the Swedish stock market for years contributed the bulk by announcing a SKr 558m of group profits, was affected by



Striking comeback story

ESAB. THE welding equipment manufacturer, provides a strik-ing comeback story. After three ears in 1977-79 in which it lost Skr 50m, stopped paying a dividend and appeared to be on the verge of collapse, it turned its business round so success-fully that last year it reported a pre-tax profit of Skr 114m (\$19.8m) and boosted sales by 22 per cent to just under Skr 2bn.

The company's weakness had been its dependence on orders from the failing Swedish and European shipyards which accounted for more than a quarter of its sales. That proportion is now down to account portion is now down to around

Several factors combined to get ESAB back to full trim. The company cut staff from more than 6,000 to 4,800, reconstruc-ted its shaky finances, improved ted its snary minarces, improved capital turnover and pared down stocks. But of basic importance has been its pro-duct development and ability to penetrate new markets, both geographically and in product

The energy market is fast

replacing shipbuilding among ESAB's customers. It has developed robot welders and a wide range of automated welding equipment, many items of which are designed to meet exacting technical requirements. ESAB claims to be the oldest in its line, having been started by the Swede, Oscar Kjellberg, who developed the coated welding electrode in 1904. The supply of welding materials, electrodes, wires and fluxes is still a second of the coated welding materials, electrodes, wires and fluxes is still a second of the coated of

ESAB's business. Last year the company showed a new aggressive spirit, taking over companies in several countries, in order to buy market shares. The word is that the management is not yet satisfied, so some more takeovers are expected.

fluxes is still a major part of



Taking logs to the mill. West Sweden's forests produce timber for export, furniture and other goods

#### **PAPYRUS**

### Profitable operation

WEST SWEDEN has a sizeable forest products industry ranging from timber exports to a rather larger dominance of consumer products than in most other regions. The furniture business is well represented in a scattering of small companies

a scattering of small companies which are now suffering from the slump in building activity.

The most prominent company in the field is Papyrus which holds a majority share in Hylte Bruk, one of Europe's biggest newsprint mills with an annual constity of 480 000 townes. It capacity of 480,000 tonnes. It has been a very profitable operation in recent years. At its headquarters in Mölndel just outside Gothen-

MOLNLYCKE

### Looking to joint ventures

MÖLNLYCKE, the disposable since 1975.

hygienic and tissue products
concern which is also based in SKr 2bn and it has made a regu-Mölndal, is the other dominant company in West Sweden button to SCA since it was company in West Sweden button to SCA since it was depending on the forests for acquired. Two-thirds of its sales its raw materials. It has been are made outside Sweden and integrated with SCA, Sweden's it looks to joint ventures abroad. biggest forest products group, for much of its future growth.

Port of

#### simple. We are the largest international bank banks. This has given the Swedish offshore Skandinaviska Enskilda Banken

INTERNATIONAL REPRESENTATION AND SUBSIDIARIES

The offshore market has become one of the

But to succeed in a tough international

competition a company needs the support of

a strong banking partner. A bank which as-

sists its client on the spot and knows what is

really happening in each market. The reason why Skandinaviska Enskilda

Banken finances more than 60% of all the

Swedish offshore projects is indeed quite

most expansive spheres of activity for the

Swedish export industry.

But in fact that is not quite the whole

truth. Skandinaviska Enskilda Banken has

always held a unique position among

Swedish banks as far as shipbuilding and

shipping finance is concerned. That is why

our bank was one of the first to discover the

development potential for the Swedish ex-

port industry within the offshore business.

to an extent which is still unique for Swedish

our international organisation,

capital and know-how.

industry increased growth possibilities and

Skandinaviska Enskilda Banken co-oper-

added to our capacity in assisting it with

ates with international banks in most coun-

broadened our international operations con-

siderably. Our strategy has been to set up

banks in the financial centres of the world

tries. During the last 20 years, we have

ه کیدا مید لاصل

We have expanded our international network. Today, these banks are the cornerstones of



### Petrochemical groups invest despite losses

complex lies at Stenungsund just north of Gothenburg, where it has the advantage of a deep-water harbour and a central position for transport within the Nordic area.

(ropean

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arsa

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12015

It has been built up over the past two decades, comprises five companies and has been one of the most important industrial growth points in West Sweden. Last year, alas, all five com-panies at Stenungsund ran at a loss and the outlook for further growth is a much-debated issue. Stenungsund's setback in 1981

reflects the general depression on the European petrochemicals market and the Swedish com-panies' prospects will be influenced by the same parameters of over-capacity, slower market growth and competition from new Middle East produ-cers as affect other European petrochemical manufacturers.

However, some advantages can be postulated for Stenungsund. Its central location for the Nordic market remains an asset. About 60 per cent of its products are now being exported and as an export centre it shares the logistic advantages of Gothenburg port. It has a fairly modern intra-

structure where the basic in-vestment has been made and which allows for expansion. It can perhaps exploit its proximity to North Sea feedstocks. Two of the companies are showing faith by going ahead with fairly large investments

cracker with a capacity of some is that the Stenungsund com-335,000 tonnes of ethylene a plex has suffered a severe year is the heart of the complex. It has started a programme of technological development at a reported cost of SKr 250m (\$45m) which managing director Urban Jacobsson says could

go even higher.

The two stages already deci-ded entail computerising the cracker and adapting it to use propane as feedstock as well as naphtha. . They should give considerable energy saving effects. The programme is intended to "bring us in line with the best cracker anywhere" and to give it a cost structure comparable with that of its nearest com-

petitors in Western Europe, Mr Jacobsson says.

For the time being it is wiser to spend on cost saving, he points out, but the feedstock flexibility being built into the cracker will not limit chances

WEST SWEDEN makes an

important contribution to the country's fast expanding phar-

maceutical industry through

Hässle, a subsidiary of Astra,

Sweden's biggest pharmaceuti-

cal group. It has been one of

the most expansive companies

in the region, raising its sales

shake-up but there is light at the end of the tunnel, if the opportunities can be seized. Unifos is the other company

with a continuing investment programme. It is putting SKr 340m into a new plant to make 150,000 tonnes a year of low-density polyethylene. It will be the first in Europe to use the Union Carbide which owns Union jointy with Sweden's KemaNobel. Mr Olle Blomqvist.

managing director, is convinced that Unifos is "buying into something new making the same products but with new properties which will give us a competitive edge." Put simply, it will be able to make goods such as plastic bags and pallet wraps in thinner material but with the same strength and

Expansion in pharmaceuticals industry

Hässle developed through

faculty of Gothenburg Univer-

sity in the 1950s. It is now one

of the world's leading com-

panies in the field of heart

medicines with laboratories at

from SKr 100m in 1972 to well Mölndal, just outside Gothen- Astra's most important exports.

Uddevalla a second industrial centre

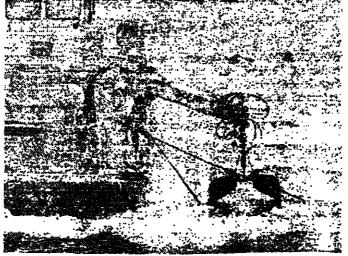
with

with young the medical

over SKr 1bn today.

co-operation

researchers in



Though not intensely industrialised by European standards, Sweden occasionally has to cope with the same problems, such as this oil spill off the Baltic coast

performance as the older type. Steungsund and has been badly Stenungsund complex, taking a large part of the ethylene from was the first since its start and it has been a highly profitable operation over the past 10 years.

Its first success came with

Aprin a so-called beta-blocking

drug which blocks certain nerve

endings in the heart and shields

it from overstrain. In the mid-

1970s Hässle produced another

beta-blocking drug. Seloken,

which has become

Unifos is a key unit in the tenungsund complex, taking a operations within Sweden. It arge part of the ethylene from the cracker. Last year's loss put although the major cuts appear to have been made at another plant.
Of the two state-owned com-

panies in Stenungsund Beroxo produces bultylaldebyde. octanol into full operation only two years ago but it carries a heavy capital burden from its Skr750m investment. The company is up

Berol Kemi makes organic chemicals and has been steadily moving away from standard products into specialities such as additives for the pulp, paint, cement and plaster branch. It has been thoroughly reorganised over the last four years, has trimmed staff and has been trying to break into foreign mar-

made a number of real estate

of Uddevalla's Office of In-

dustry and Commerce, has about ten industrial sites

available. The local authority

owns more than 20,000 square

metres of premises let to

small business tenants but will

### Hub of business ideas

for drving wheat is being manu-

factured at a rate of 100 a year.

men to identify product needs.

for small companies seeking

After four years' experience

Product Development porary assignments. Centre at Chalmers Technical University in Gothenburg, has at the Centre now being made been run by Mr Bert Almovist commercially are a new type of for four years. He describes it ventilator which can be used as a "trial balloon" but it has for small boat cabins, caravans already become a very active and trucks, cabins. A furnace catalyst in the life of West using waste wood to heat air Sweden's small companies.

Its purpose is to promote new business and ideas by harnessing the research and Mr Almqvist underlines the development resources of Chal- importance of using marketing mers and those existing in small concerns. The centre offers, in the lists six typical cases in the Almqvist's words "entre-preneurial capacity in identify-to provide crucial analysis of a ing opportunities and co-ordin- problem or project management ating projects."
His staff of 10 have each

new products.
The Centre is funded by between 10 and 35 years' experience of product development, public money but operates as vice, because about 80 per cent design or marketing in industry. a commercial business, thargories in income comes from 20 per They have a wide network of ing for its services and issuing cent of its customers and, if it contacts among professional an annual profit and loss inventors, researchers, market- account and balance sheet, in ing experts, workshops able to order to win the respect of its these are precisely the ones build prototypes, and bankers customers. Its success, in Mr that regular consultants could who can be called on for tem- Almqvist's view, . must be not afford to handle.

measured in purely commercial terms and "whether customers Among products developed are willing to pay us and increase our market." The Centre started with

SKr 3.8m (£362,000) in equity, of which half was supplied by the National Technical Develop ment Board and half by Gothenburg and the five counties in risen from less than SKr 200,000 in 1978 to SKr 1.7m last year. Its annual loss has been cut from SKr 400,000 to SKr 94,000 and it expects to break even

It is handling about 200 "cases" a year, most of them for very small businesses. There is still an element of public ser-vice, because about 90 per cent were strictly businesslike. it would drop the small jobs. But

#### KemaNord, part of the Kema-Nobel group, makes PVC at Textiles in sorry plight and plasticisers. It has very modern equipment which came

EMPLOYMENT IN Sweden's textile and clothing factories sank from 47,000 to 33,000 in the five years to the end of 1980. That is one measure of the Swedish textile and clothing industry's plight. In the first companies have modern nine months of last year machinery partly financed by domestic textile production the Economic Defence Board, dropped by 10 per cent and and maintain high clothing output by S per cent. standards but, in Mr Sundblad's Imports covered 78 per cent of textile consumption and \$3 per cent of clothes.

These figures are particularly relevant for West Sweden because the town of Boraas and its surrounding districts is the capital of the Swedish textile industry. Half the jobs in the industry are found in and around Boraas but current employment there is probably no more than a third of what it was

area, if official policy towards the industry is not changed, says Mr Göran Sundblad, managing director of Almedahls, the country's biggest textile

Local authorities are active in looking for other kinds of industry. They offer cheap land and other financial incentives,

one and the solution if any, must come from Stockholm and quality words: "We must have free trade but not tied to the solidarity wage policy."

#### Higher wages

The "solidarity policy" of equal wages for equal work, whether performed in profit-able or loss-making concerns, means that Swedish textile and clothing companies pay much higher wages than, for instance, American textile firms and only slightly lower rates than those paid to Swedish car workers. "We can produce quality goods, we are good at marketing but we cannot make

the price," says Mr Sundblad. The industry would be in an even more dilapidated state, were it not for government wage subsidies to employees over the age of 50 but the received in this payback " form makes up only a minor part of companies' payroll

The problem is a national the industry have formed in vestment companies — Boraas-invest is one — operating share authorities, portfolius and investing in and clothing other businesses, usually by buying existing companies Almedahl now gets about a third of its sales from light engineering companies which are expanding faster than its textile business. With govern-ment support it maintains minimum profitability " on its

textiles. It has a profitable weaving business making cloth for sportswear, in which it has a good export market. A few other companies in the region have a profitable usually export-orientated line of busi-

One such is Oscar Jacobson, a company in Boraas making stylish business suits which are sold among other retailers by Austin Reed and Harrods in Britain, Austin Reed takes almost a quarter of its exports which last year accounted for 38 per cent of the total sales of SKr 88m (£8.4m).

Oscar Jacobson\_belongs to the state-owned Eiser textile and clothing group, which has its headquarters in Boraas. Eiser has run at a loss for four years in a rnw, and is seeking more capital from the Governxes ment. At the end of last year Several private groups in it gave notice to 600 employees.

#### deals with local companies to prepare the ground for new industrial and service com-panies. ASSI, the state-owned in the industry's heyday. plants, oil products and kaolin industry and shares ferro-alloy a big effort to develop new The district is "not quite poverty stricken" but the psychological climate is dour and Boraas can become a crisis manufacturing with Troll-hattan, while Lysekil, a fishfor the paper mills. It is also building out quays capable of receiving roll-on/roll-off and forest products group, has recently opened a new factory Half of Uddevalla's indusing town, also houses the trial force of about 6.000 Scanraff refinery, Sweden's to make windows. It provides lobs for about 225 people. Mr Alf Andersson, the head lift-on/lift-off ships. work in shipbuilding, the large

UDDEVALLA, the harhour town 100 kms north of Gothenburg, is the gateway to the Fyrstad (Four Towns) district which forms the secondlargest industrial centre in West Sweden after Greater Gothenburg: Within the writ of these four local authorities live 145,000 people but they claim to have a common service area covering 250,000.

The three other towns are TroNhättan, Lysekil and Vänersborg. Trollhättan is the heavy engineering centre with an assembly plant for Saab cars, aero-engine assembly at

Flygmotor, Volvo's subsidiary, and turbine manufacturing by Nohab. Vänersborg has light

Coastal fishing provided for a cannery at Uddevalla. The district has both farm and forest land which have been the source of small foodstuffs and furniture industries. But several of these industries are declining or standing still and, as in Gothenburg, reliance on a few big manufacturing concerns has come to be regarded

employment is concerned. Fyrstad, therefore, is making.

majority at the Uddevalla yard which forms part of Swedvards, the state company and the rest at the Mattson family-owned group. These operations are described in the article on shipbuilding.

The harbour handles about 2m tonnes of goods a year. It built a reputation for handling conventional liner freight but

has been expanding its bulk cargo facilities, handling ores for the inland ferro-alloy

The exports passing through the harbour are smaller in quantity but of greater value. They consist mainly of paper, timber and engineering products. Uddevalla local authority has ambitions for its harbour, whose handling charges, it claims, are about half those of Gothenburg.

The local authority also

have 6,000 square metres ready for hiring by the middle but so far the results have been

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#### GOTHENBURG-WESTERN SWEDEN VI

The largest transport centre in the Nordic countries has about 30,000 people now working in allied industrial and trading concerns

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graphical situation and the fact that it has the largest port in the area are cardinal The seaborne traffic, which includes a large share of the trans-oceanic trade, is backed up by good motorway connections, direct rail freight links and ferry services.

thus

Gothenburg

transport centre in the

Nordic countries. Its geo-

eastern Norway and Denmark as well as the most densely industrialised parts

Just outside the city 2t Landvetter is the Nordic area's most modern airport, with plenty of scope for expanding both freight and passenger traffic.

About 21,000 people in Gothenburg work in trans-port companies. It is estimated that the figure totals

at least 30,000 if all those in industrial and trading concerns engaged in transport were included.

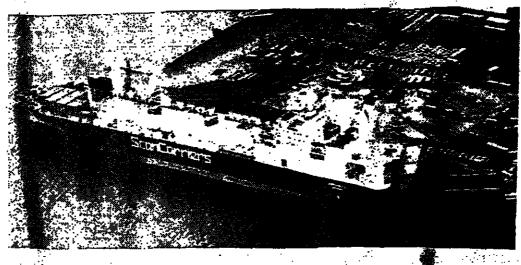
The city authorities and business community are determined to maintain Gothenburg's primacy in transport and to obtain a proper yield from its investments in modern facilities. Combined efforts are being made to analyse future requirements, develop new transport and warehousing

systems and to train youngsters in school and these at university for jobs in the transport business.

Shipowners, haulage companies, industrial concerns. banks and publicly-owned transport organisations set up the West Sweden Transport office (VIS) on a trial basis in 1978, establishing a permanent operation from VTS alms to coordinate research and education in transport matters

with private exterprise and to hring about closer cooperation among transport operators.

The office was instrumental in getting a professorship in industrial logistics established at Chalmers Technical University. It has initiated research into future port structure and into goods and terminal systems. And it has played a part in starting a marine research centre in Gothenburg.



### Shipping community adjusts to changes

lay claim to being Sweden's shipping capital, but over the last 15 years its directly owned shipping business has dwindled along with the whole Swedish merchant marine. Instead, Gothenburg . shipping has

become increasingly enmeshed international consortia, both in container lines and in the bulk carrier business. Change has been the order of the day both in the composi-

tion of the fleets operated by the Gothenburg companies and in their managements. The turnover in top executives has been fast as the companies

paid shareholders a dividend for five years. Its merger with Transatlantic, the other major Gothenburg company which it partners in the Atlantic con-

GOTHENBURG can still fairly tainer line, has been fre- ation, has estimated that quently mooted but not yet

> Shipping engenders strong personalities and one who has increasingly dominated the scene in recent years is Mr Sten Olsson. Last year he succeeded in taking over his only competitor on the Danish routes and his Stena/ Sessan line has a virtual monopoly of the ferry routes to Denmark and West Germany. Denmark's DFDS, Denmark's DFDS, however, took over the Tor Line ferries to Felixstowe and Amsterdam last year.

The Swedish merchant fleet been last as the companies adjusted to market demands has shrunk from a total of and the exigencies of Government and trade union policies at home.

The Swedish merchant fleet has shrunk from a total of the end of last year. But it remains one of the most remains one of Bröströms, for instance, one of modern fleets in the world and the most prestigious of the the international decline in the companies is probably less than the figures imply, since they have taken to operating more vessels on charter.

> The Gothenburg shipping business really got going in the period between the turn of the century and World War I when owners bought hundreds of second-hand British steamers 12 to 14 years old. The first transocean liner service from Gothenburg started in 1904 and a dozen or so were operating by the outbreak of war.

#### Third generation

At that time Sweden had just begun its industrialisation, wages were low and its ship-ping companies; were very competitive. Now the third generation of Gothenburg ship-owners had had to cope with the highest manning costs in world shipping world shipping.

Three crucial developments in the past decade have helped to transform Gothenburg shipping. The first was the 1974 wage negotiations with the sea-farers' trade unions, when under the threat of strikes the owners accepted an expensive wo-year settlement just as the tanker market had started to slide. In the first year alone their crew costs went up by 34

The second was the law pre-venting Swedish owners transerring their vessels to flags of convenience even temporarily, It was passed just as ships came off charter in 1975 and 1976 when the tanker market had collapsed and vessels had to be laid up. The result was that companies were forced to sell ships in the 1975-79 period at rock-bottom prices.

Some 160 Swedish ships totalling 10m deadweight tons were sold abroad in that period for about SKr4bn (\$380m). Mr Thorsten Rinman, editor of the Swedish Shipping Gazette pub-lished in Gothenburg by the Swedish Shipowners' Associ-

owners could have obtained Skr 3bn more for their ships had they been able to flag out temporarily and wait until pricessimproved in 1980.

The third major influence on shipping was the Government's attempt from 1977 onwards to save shippards by stimulating Swedish shippwhers through guarantees to order ships from The .companies locat yards. which took the chance were badly exposed when interest rates started to climb in 1980.

The collapse of the Johansson Group, which operated from the island of Tjörn to the north of Gothenburg, was at least partly due to debts incurred in this way.

This factor also helped to boost the rush into part-ownerships by ships' officers which had also been accepted by shipping companies getting into financial difficulties. Partownership has increased on the Gothenburg shipping scene in recent years with ships being owned and run on charter for companies by groups of officers who spend only five or six months a year at their regular

The shape of Gothenburg shipping is in flux and it is not always easy to discern the ownership pattern. Alongside the part-ownerships the Trans-ocean Consortium lines, which strategically vital for trade, continue to operate. the Gothenburg partnering other and Scandinavian owners and foreign companies.

Atlantic Containers Line links Broströms and Trans-atlantic with Wallenius of Stockhoke, Generale Maritime of Paris and Cunard of London. Scanstar, operating to the North Pacific brings together the East Asiatic Company of Copenhagen and Britain's Blue Star Line.

Gothenburg shipowners together with Bergen shippers gave birth to the concept of consortia in the bulk carrier business, in which they were joined by British and Hong Kong companies. These con-sortia differ from the liner trade, which seeks dominance on given routes in order to be able to maintain frequence or service. Bulk carriers are pooled to serve different bulk

The shipping community in Gothenburg has gone through and is still going through a period of severe market adjust-ment which puts a premium on new business ideas and initiative. Stena Line's move into the offshore field with six technically advanced diving support vessels, now operating in the North Sea, off New Zealand and off Mexico, is one instance of how a bold new idea

commodity markets.

Above: the road system's connections to West Sweden's ports and new airport help to make the region convenient as an entrepot. Above left: A: ro/ro ship in Skandia port. Gothenburg shipowners

### carrier consortia Airport waits for the higher turnover

with Bergen shippers devised the concept of bulk

LANDVETTER AIRPORT is frequently referred to as a white elephant or more politely as an investment in the future. It offers jaded air travellers a new experience. Where else can they hear their footsteps echoing through vast empty arrival and departure halls and check in without queueing?

Yet Landvetter, just outside Gothenburg on the road to Boraas, is a magnificent piece of transport planning. Foreign airport officials turn up regu-larly to study and admire its planning and design, its freight handling bridges, its computer-ised customs and forwarding facilities—all in one building for swift handling.

West Sweden's new airport was planned in the early 1970s when economic growth projections were still optimistic. It cost SKr 630m (\$109m) to build and came into operation in autumn 1977—in the middle

of the recession.
It was designed to handle 4m passengers and more than 100,000 tonnes of freight a year. The current volumes are 1.8m passengers and 20,000 tonnes of freight

#### In deficit

According to the last projec-tions submitted to the Swedish Riksdag (parliament), which assumed that the airport could reach breakeven point in the 1987-88 budget year, it should now be handling 2m passengers and 40,000 topmes of freight.

Last year Landvetter ran at a loss around SKr 30m. Income was almost SKr 100m and operating costs about SKr 50m but depreciation and interest charges took SKr 80m. Mr Stig Andersson, the air-

port manager, responds tersely when asked to comment on the situation. "We run the airport but we do not run the airlines." He wants more direct routes from Landverter to the continent and North America.

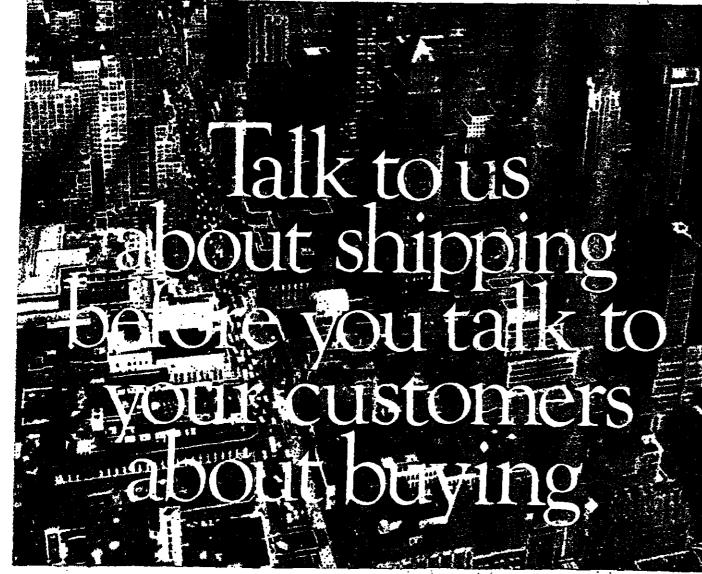
Direct routes are a standing bone of contention between Landvetter, Sweden business as a whole, and Scandinavian Airlines System (SAS). Above all, Mr Andersson believes operations would grow faster if pas-sengers and freight from his airport did not have to be routed through Copenhagen's crowded Kastrup airport, which SAS operations are based on.
At present, he complains,

companies find it easier to send goods by truck and ferry to the continent and SAS's freight rates are too expensive. On the passenger side, he argues that Landvetter could handle more charter traffic and; with direct flights, could attract more business from Norway (Oslo airport cannot take wide-bodied air-craft) and other parts of

The airlines retort that Landvetter's charges are too high, a contention which Mr Anderso says is untrue when measured against the service that is given Recently, Mr Jan Carlzon, SAS managing director, was subjected to a public grilling by West Sweden businessmen over the direct route issue. He told them he would put on more direct flights when business warranted it.

Back to Mr Andersson: where is the business for Landvetter? More than 20 per cent of Sweden's population lives within a 100-kilometre radius of the airport, an area which also contains one of the highest concentrations of industry in the

Far more spares could be flown in from Britain, for example, Mr Andersson argues, if SAS would cut its rates and put on more direct flights. The argument goes on and meanwhile a splendid airport is more than half idle. At the same time, Gothenburg's old airport, Torslanda not far from the new Skandis harbour, is up for sale.



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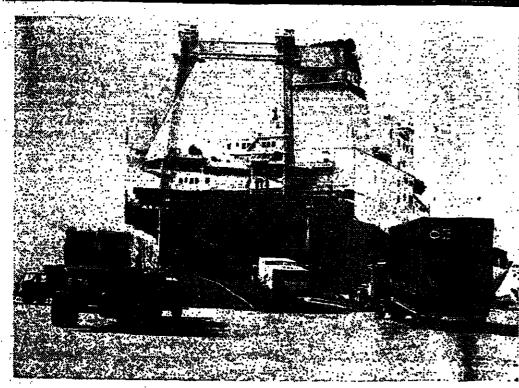
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#### GOTHENBURG-WESTERN SWEDEN VII



Trucks drive on to a roll-on/roll-off ship. Gothenburg's new harbour was specially built to handle such traffic

### Gothenburg port highly mechanised

THE PORT of Gothenburg from Norway and Finland claims to have been the first in However, for this bus Europe to understand the Rotterdam and Hamburg, w meaning of the container revolution in sea transport in the of freight, set the prices. The 1960s and start building a con-container lines can always keep tainer terminal. Skandia, its new harbour, completed its 13th and last berth last year and now offers a highly-mechanised port operation with sufficient capacity for the next 10 years, according to the port director, Mr Sven

The new harbour has cost the city about SKr 450m (\$78m) with between SKr 150m and SKr 200m going into new instal-lations for handling roll-on roll-off vessels in the past three years alone. The inner harbour has been closed apart from the ferry terminals on the south bank and on the north bank's Lindholmen Harbour, which is still used for car exports. Conventional general cargo has been moved to the Free

Waits

These investments and reorganisation have reinforced the port's ability to compete but have by no means ensured its continuing supremacy in the Nordic area. For one thing the port authority estimates that there is about 40 per cent over capacity at present in Swedish ports and it claims that other local authorities are subsidising

their harbour operations.

Second Cothenbury's stre ScanDutch, Scanstar and many small lines pany.
have frequent and regular sail. He plans to decentralise

However, for this business Rotterdam and Hamburg, which deal with much larger volumes the pressure on the pricing of Gothenburg port services by threatening to stop calling and to use feeder lines from the Continental ports for Nordic

of port services.

the refineries.

year it handled 21m tonnes of

goods, of which nearly 14m tomes were crude oil and re-

fined products. It dealt with

35 per cent of Sweden's oil imports and 4 per cent of general cargo imports. On the

export side 16 per cent of the

country's general cargo trade (excluding iron ore) passed

through Gothenburg and 28 per

cent of the oil products from

Hidden in these figures is the

amounting to 6.3m tonnes,

ferries to Denmark and West

Gothenburg is thus forced to be a very effective port. It has experienced labour troubles and from time to time suggestions that its charges are too high. On pricing, the port and stevedoring company reply that though their handling rates may be higher than those charged by other west coast harbours, the overall package of services offered by Gotheburg works out

#### Amalgamation

In the beginning of the 1970s about ten stevedoring com-panies competed in Gothenburg. With the shift of general cargo to the new Skandia harbour a painful and troubled amalgation into a single company took place, and labour unrest helped to tarnish the port's reputation.

The situation is different now. The stevedoring force has been pared down from about 1,800 to 1,150 but the greatest expectations are based on the mergis that it has retained the cusing of the port and stevedoring tom of the big transoceanic into one operation under Mr freight lines. Atlantic container Per Bjurström, the present head of the stevedoring com-

ings from the port which can stevedoring in Gothenburg into claim to have direct connections autonomous units operating as with practically all parts of the profit centres, each with its own world. About 30 per cent of staff, machinery and administhe traffic is in transit goods tration. One would deal with



The port at Halmstad is expanding but has been running at a loss for several years

### Halmstad offers rival service

A WEST COAST port which is challenging the dominance of Gothenburg is that of Halmstad, a town of 75,000 standing at the point where West and South Sweden meet. The local community has invested about SKr 130m (\$22.7m) in its harbour over the last 10 years and set aside an area of 800,000 sq metres for future development both for new terminals ment, both for new terminals and for industry.

Halmstad relies heavily on two important local customers. It exports some 300,000 tounes of newsprint a year for Hylte Bruk. And it handles imports of raw materials for Pilkington's float glass factory and exports its finished products.

The port also handles the scrap and cast iron imports for the local iron works, which specialises in rein-forced steel construction products, and imports about 600,000 tonnes of mineral

For the last five years Halmstad has been importing cars; it owns siles for the export and import of grain and other farm products and has built a small roll-on/roll-

off terminal. In January it completed a terminal for bulk products, including coal, which is being operated by the Nordic Bulk Company and on which the port authority places great hopes.

Given the overcapacity in West Coast ports, is this expansion wise? Mr Bengt Grennhag, the

port's general manager, argues that Halmstad offers a very competitive service and says that handling charges are much cheaper than those of Gothenburg. It owns up-to-date port installa-tions; it has well-established shipbroking and forwarding agents; there are regular cargo lines to West Germany. Britain and Finland; and Halmstad has good road and rail links, he says.

However, the port has been running at loss for several years. Last year the loss was SKr 2.5m on a turnover of SKr 2.5m while the stevedoring company broke even, according to Mr Grennhag. But business is growing: this year Halmstad hopes to handle nearly 2m tonnes of goods, which would mean a doubling in volume since

### Centre for storage

MOVING AND storing materials is a Gothenburg speciality. This is not so surprising when it is remembered that the city is a centre for both large-scale manufacturing and goods transport. As a result a number of small local companies have developed specialised equip ment for use in automated factories, packing and ware

The City Office for Industry and Commerce has recently helped to organise 11 of these companies into a materials bandling group to market their products in common. The idea is that a combined effort is needed to exploit the export needed to exploit the export potential inherent in the expertise the companies have individually built up, Mr Lembit Murro, of the Office, explains.

Some of the companies produce technologically very advanced equipment which has attracted interest from, in particular, American produc-tion managers. ACS, the Volvo subsidiary whose robot carriers were developed for the new car factory at Raimar, now makes about half its sales abroad.

Atlet manufactures electric trucks for use in warehouses ro/ro ships, another with loading of ordinary vessels, a third with vessels which require but specialises in offering tailor-made solutions to warehousing and materials handling problems, Digitron, the Swedish subsidiary of the Swiss specialists in industrial autoboth facilities. Mr Bjurström can also be expected to step up the international marketing mation, was also founded on a contract to supply the internal system for Volvo's Kalmar Gothenburg concentrates on oil and general cargo and is not a port for bulk freight. Last factory.

The Office for Industry and Commerce has just published a brochure in English, "Handling Profits," with an introduction by Mr Dag Ericsson, Professor of Industrial Logistics at Chalmers Technical University. Gothenburg. It highlights the profit gains companies can achieve by making materials handling, as distinct from materials control, more effec-

considerable transit trade for the other Nordic countries. Of handling group is aiming first at companies in the other Nordic conotries, in Britain. the total general cargo handled and the Netherlands. It is also about 1.9m tonnes was carried on the Stena/Sessan line's talking to building contractors about joining forces to offer houses and production plants.

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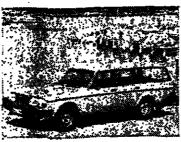
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Gothenburg is the home town of Volvo. 55 years ago, the company was founded here and the head offices of the group are still here today. Nearly 25,000 people in the region are employed by Volvo. Apart from the better-known Volvo companies described below,

Volvo has companies in Gothenburg which make automated guided vehicle systems, industrial doors, companies which deal with energy exploration, off-shore equipment and services, companies which trade in oil and chemicals plus a range of other activities.



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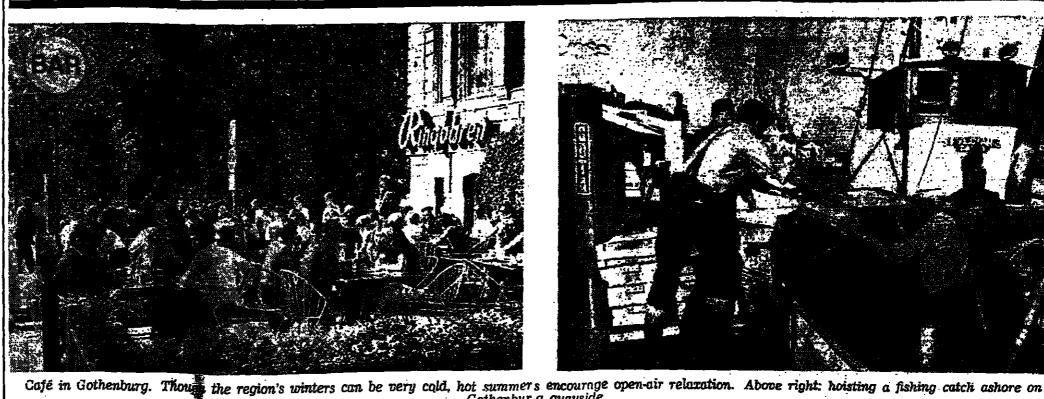
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### GOTHENBURG-WESTERN SWEDEN VIII





Gothenbur g quayside

The big banks do offer services adapted to the city and region's business life

### Banks independent of Stockholm

ment, which Gothenburg businessmen sometimes express about the dominance of Stock-holm extends to the financial markets. In banking and insurance as in politics and bureaucracy the key decisions are taken in the capital, it is said. This view is hotly contested by Mr Alf Aakerman, one of Skandinaviska Enskilda Back's managing directors and head of its Gothenburg operation. He runs a complete banking operation for West Sweden, offering all the financial services avail

Skandinaviska Bank, which Skandinaviska Bank, which tworks in favour of concentrat-merged with Stockholm En-ing functions in one financial skilda to form Skandinaviska centre. Enskilda, was originally a

bank ow is Götabanken which has to found it necessary to carry out much of its head quants work in Stockholm.

The last month the Gothenburg teglonal savings bank annot bed that it was merging with pockholm's savings bank to four the country's sixth largest bank. Sparbanken Stockholm-Geborg. The move was explained by the need for a bigger tank to compete effectively in marketing and on capital markets.

The city's business life. Mr Aakerman reports that his bank lent SKr 3.5bn (\$608m\$) to shipping and rig operators last year and Skandinaviska Enskilda in Gothenburg runs a separate shipping department, which also serves Norwegian to ustomers.

The regional insurance market is also dominated by the hig Stockholm-based companies, skandia and Try 32-Hansa, which in the past bout the plocal companies. Like the banks, they too operate big Gothenburg offices.

able in Stockholm, he says. The foreign currency business done by his Gothenburg bank, is about 40 per cent of that done by Skandinaviska Enskilder in Stockholm and is bigger in the other big private commercial bank, also operates a bank-to-bank deals, Stockholm decentralised domestic operations with a rangional head bank concentrating more on trading tion with a regional head bank for customers, particularly the ain Gothenburg. But in a nation Swedish multinational comfor just over 8m the logic of panles.

in the past bought up local com-panies. Like the banks, they too operate big Gothenburg offices. The truly local representa-

tives are two small insurance companies. Atlantica and the Assuransföreningen, a mutual company known in English as the Swedish Club. Both have experienced interesting developments recently, in each case with some connection to the London insurance market.

Atlantica, a marine insurance company, has won a licence to start commercial, fire and accident business, thereby halting a 35-year concentration The big banks do offer in trend which has left about two-

Mr hands of the two big companies. To undesine its claim for a licence, Atlantica opened a link to the Phienix insurance company, Lordon, which had possessed a Swedish licence since 1805 and could therefore provide Atlantica with an instrument for starting non-marine insurance in Sweden. The insurance commissioner got the insurance commissioner got the insurance commissioner got the "We went international for the commissioner got to look for business abroad." point and gave Atlantica its own

licence: The Tesult is a David v has a market open to it of close to Skr 4bn. By taking only 2 per cent it can boost its premium income by Skr 80m. But income by Skr 80m. But Atlantica will run its non-

marine business from Stockholin. The Swedish Chib's distinction is that it has been the only underwriter providing hull, war risk, protection and indemity in-

We went international for the The result is a David v Goliatic battle but Atlantica's managing director, Mr Nilsmanaging director, Mr Nilsmanaging director, Mr Nilsmanaging director, Mr Nilsmanaging director, says. With the decline in the Swedish merchant marine, new business had to be generated abroad. Last demand. Atlantica had a premain income of only SKr 330m from last year. It now has market open to it of close fun of it but found it to be a foreign owners.

At present the Swedish Club covers about 370 vessels. In Mr Lindfeldt's view it does not have to go flat out for expan-sion. "We could cater for, say. 500 ships but bow big can we grow and still provide a good service for shipowners? It is important that somone answers



Alf Aakerman: complete banking operation. The big banks have to operate large Gothenburg offices to handle the business generated in the region

Useful hints and addresses to simplify a working visit

### Business guide to the region

language in West Sweden and a visitor speaking Eng-lish will cope with most situations anywhere in the region. It is a friendly place but the Swedes retain a formal manner publicly and a formal approach in business is safer than back-slapping.

Business hours vary slightly.
Some executives are at their offices by 8 am, sometimes staying until 5 pm. Take 9 am to 4 pm as the surest time but allow for an absence of up to an hour from moon for lunch. An invitation to a business lunch is often appreciated.

In summer many Swedish businessmen like to leave early on Friday afternoon. Public offices work from 8 am to 5 pm, or 4 pm in summer. Shops are open from 9 am to

2 pm.
Gothenburg is almost
1,000 km south of the Arctic
Circle: it is warmed by the Gulf Stream and furs are not

needed. A Continental European's normal cold weather clothing should suffice in winter. However, the past winter brought some exceptionally severe cold spells, with snow on the ground from early December to the beginning of March. It is wise to

early December to the beginning of March. It is wise to take a raincoat during other seasons, although the West Goast can offer days of glorious sunstane.

The Gothenburg and West Sweden Chamber of Commerce, at Parkgatan 25 (tel. 17 76 60), is a very useful source of information. It has branch offices in Borazs, Skövde and Trollhättan Many local authorities in the region run offices of industry and

local authorities in the region run offices of industry and commerce which are keen to arrange beginning has a wide range of hotels varying in price from SKr 100 to SKr 550 (\$17.5-96) for a single person per night; It can be very difficult to book when a trade

fair or conference is being held. The Tourist Office, at Kungsportsplatsen 2 (tel. 13 59 92), might help. Hotels are found in most of the

larger towns in the region.

There is no shortage of restaurants of all categories and prices in Gothenburg, some opening only for lunch when they usually offer a fixed menu as well as a la carte. Fish and seafood dishes are often very good.

#### Restaurants

Performances theatres are in Swedish but there are frequent opera, operetia, ballet and concert performances. Tickets can be booked through Biljett-centralen (tel. 13 65 00) in the same building as the

Theatres are closed from June to August—during the holiday period—but Liseberg. a celebrated amusement park with restaurants, dance halls and sometimes variety performances is in full swing then. It is open every even-ing until 11 pm, and midMay to August. Taking time off in the

countryside is strongly recommended. The West Coast with dream and also has much to offer fishermen and golfers (there are at least 15 golf courses). The Tourist Office can supply names of golf clubs which welcome visitors and of people who hire motor and salling boats. A fishing permit is needed and can be obtained from Biljetteentralen and often locally.

The Stugbokningscentral (tel. 11 56 08) in the Gothenburg Tourist Office can help you to rent a cottage, probably made of timber and equipped with all mod cons. by sea or lake for a week-end-

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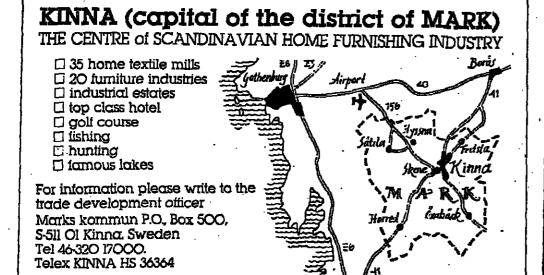
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Peter Riddell, Political Editor, reports on tomorrow's by-election at Hillhead

unique to Hillhead. There are

plenty of other constituencies

where there is also 2 strong "true blue" and "true red"

potentially winnable seats.

There are, however, some

factors special to Hillhead, and

to Scotland generally. In par-

ticular, the campaign has shown

becoming involved in a four-

party contest. Mr George Leslie,

didate, has provided an outlet for the protest vote, particu-

of which in England might have gone to the Alliance.

of a caravan which has just temporarily camped in Hill-

activists is the same group

which cut its teeth in Warring-

ton and triumphed in Crosby,

not a Scot is also an influence. References to "that carpet-

ally, even some SDP leaders

concede privately that Mr

Chick Brodie, the impressive

Liberal candidate who stood

down in favour of Mr Jenkins,

might have had an easier ride.

Mr Jenkins's personality has, however, had a more positive

influence via the large attend-

ances at public meetings. According to the telephone

poll, one voter in six had been

The poll suggests that Mr

Mr Jenkins faces tough com-

petition from the other parties. Mr Leslie for the Scottish

Nationalists has made the

strongest showing as a cam-paigner. Mr Malone for the

Conservatives has been self-

confident and articulate in

defending the Government's

main candidates is Mr Wiseman

and, while dull and worthy, he

has avoided any serious errors,

though probably secured few

be achieved in the

Hambro Life Assurance,

7 Old Park Lane, W1.

Mark Weinberg.

P. T. Jenkins.

Interest-free

From Mr A. Milne

immediately after the 27th of

the month, and thereby causing a delay of two days. The build-

ing societies would, no doubt,

claim that this is a fault of the banking system over which

true for if the building

societies were to participate in

the direct debit scheme, the

mortgagors account at the bank

would be charged on the same

day as his account at the build-

ing society is credited thus

obvizting interest charges.

Furthermore, as it would appear

that the Government is insisting

that with effect from 1983 mortgage payments should be be paid net of tax at the standard

rate, the direct debit scheme would, I suggest, save the

mortgagor having to complete a new form of standing order

mandate each time there is an

amendment to the standard

rate of income tax.

60 Ware Street.

This is not however, strictly

they have no control.

Chichester,

loans

The weakest of the

Jenkins's oratory has succeeded

in converting significant num-

to one by last weekend.

bers of voters.

record.

bagging Englishman"

quoted by canvassers.

The fact that Mr Jenkins is

with some Scots now added.

SDP

Oxbridge.

The SDP has all the marks

Most of the accents at

campaign headquarters English and often

The hard core of

Ironic-

Scottish Nationalist can-

### The old loyalties don't break easily

the Hillhead constituency in Glasgow listing the voting inten-tions of the residents — not so much to help canvassers as to discourage further calls ahead of tomorrow's by-election.

16 March 24 184

head probably the most wooed in British electoral history.

It was hard to go out shopping last weekend without being accosted by a Westminster MP on behalf of one or other of the candidates or being bombarded by Mr Bill Rodgers's constant megaphone commentary on Mr Roy. Jenkins's walkabout ("there he goes into the but-cher's, I see the chops are good value today").

It has all been great fun, but deadly serious, for the parties as the electoral arithmetic has remained tantalisingly close. In so small a constituency and assuming a turnout of perhaps 75 per cent of those eligible, only 9,000 votes, or 30 per cent, could be enough to win. And the epinion polls suggest that only 500 to 1,000 votes separate the three main candidates — Mr Jenkins for the Social Demo-cratic Party/Liberal Alliance, Mr Gerry Malone for the Conservatives and Mr David Wiseman for Labour.

My hunch is that the Labour ote has started to slip and that the real contest is between the Alliance and the Conservatives. Indeed. Mr Jenkins may have a slight edge which could now be increasing to give a larger margin tomorrow night. But I would not be surprised to be wrong, such is the continuing uncertainty of the contest.

Whatever the result, there will be a considerable shortterm political impact-on Mr is's chances of becoming SDP and Alliance leader, on the party's internal stability and its links with the Liberals and, above all, on the party's credibility for future elections.

There is the trap, however, that depending on the balance of a few hundred votes, the SDP will be either written-up excessively or written-off prematurely. The Hillhead result is on their own guarantee an obviously important but some electoral breakthrough in the major themes which have face of the strengths of Tory emerged during the campaign and Labour.

The central conclusion is that "breaking the mould" is going to be much more difficult than the SDP leaders hoped last year. vote which is difficult to pene-ingrained party loyalties built trate. SDP campalgners are up over decades are hard to having to rethink what are undertaken for the Sunday Stan-dard and BBC-Scotland, about two-thirds of those who voted either Conservative or Labour in the 1979 election are sticking to these parties. Conversations with voters and

canvassers establish the pattern the male working-class manual worker over 35 sticking with Labour largely because of class identification—because he has always been Labour. Talk about Militant and the shift to the Left has little meaning. It does not shake his commitment.

The same loyalty is observable on the Right, notably among women aged over 50 who make up a large slice of Conservative support. These are the middleaged and elderly ladies who, according to some canvassers, regard Mr Jenkins as still a socialist and are instinctively Tory. If Bertie Wooster had ever had an Aunt Flora in Glasgow she would undoubtedly have lived in Hillhead.

strongly entrenched positions reflect the political sharply constrasting social balance. A half hour's walk takes you from near-skims near the Clyde to elegant Victorian

At the start of the campaign the SDP regarded Hillhead as attractive prospect. After all, the constituency has the highest percentage of voters with two A-levels of any seat in the UK, a high level of owner occupation, a large number of professional people and many of the staff and students of nearby Glasgow University.

The telephone poll suggests that Mr Jenkins is doing well in the area near the university among the more educated middle-class people who live in private rented housing. This area would be extended by forthcoming boundary changes. These groups together may

give the SDP a significant beachhead, but they do not



ampaign should have been his name last year) with his helping Labour. Unemployment is most frequently mentioned but few voters seem optimistic about what any government can do. Mr Patrick Jenkin, the Industry Secretary, noted after a visit to Hillhead last weekend that he had en-countered much less bitterness than at Croydon and Crosby last autumn, which he attriouted to the Budget.

Religion has also emerged as lesser and somewhat submerged influence. Mr Malone is a Roman Catholic and canvassers report some vocal antagonism to him for that reason from Orange workingclass voters. Some former Tories might switch either to the Scottish Nationalists or to Pastor Jack Glass. He is standing as Protestant Crusade against the Papal Visit Candi-A final complication is the

presence on the ballot paper of Mr Roy Harold Jenkins (a

own Social Democratic Party. SDP campaigners are worried about possible confusion since his name will be higher on the hallot paper than the Alliance candidate, described as the Ri Hon Roy Harris Jenkins. Socia Democratic Liberal Alliance. An explanatory leaflet will be issued at polling stations. But if the other Mr Jenkins does attract a sizeable enough vote to make the difference between victory and defeat, there will be pres sure within the SDP camp for a challenge to the result.

Mr Jenkins has been described as an old man in a hurry. Like Gladstone in Midlothian over 100 years ago, he will tomorrow discover whether Scotland still supports political 1979 result: Galbraith (Conser

vative) 12,368, Mowbray (Labour) 10,366. Harris (Liberal) 4,349, and Borthwick (Scottish Nationalist) 3,050. Majority 2.002.

Currencies and inflation

### Beware of misleading mechanical devices

By Guido Carli

OFFICIAL OPTIMISM about the prospects for the unifica-tion of Europe cannot dispel the sarcading sense of popular the sarcading sense of popular inertia, deterioration and vul-ture. nerability which lies at the that participated in the joint heart of pacificism, neutralism float of 1975 and 1976. Standard and anti-Americanism. Worse, deviations were 5.9 and 5.3 in the indicators show that the economic ties that bind Europe together have begun to disinte-

System (EMS) has proved a with the fastest wage increases, success in limiting the size of As a result greater potential exchange. rate fluctuations disequilibria have built up in between the currencies of the countries included, and adjust- in spile of exchange rate ments have been made by adjustments. general agreement. But it has not proved to be a success in introducing sufficient constraints to reduce divergences. And the proposed strengthening of the EMS by extending the use of the European Currences. Line adjustments.

The tensions in the system are only exacerbated by the lack of a definition of the EMS and the proposed strengthening of the European Currencies and the U.S. dollar. rency Unit (the ECU) is not the right way to reduce them the economic ties that either, as I shall explain. By the measurement of bind Europe together standard deviation the divergences have increased substan-tiolly—particularly the ratio of public sector deficits to GNP, and rates of inflation.

The countries with the most adverse ratios of public sector deficit to GNP have higher rates of inflation or larger balance of parments deficits. In 1986 per capita GDP in Italy was 50 per cent of that of West Germany. According lo Wharton Econometric the proportion will have only reached 53.9 per cent in 1986. That is how long it will take to make even a modest reduction in the old gap between the two countries.

The same thing applies to Portugal and Spain. As soon as they join the Common Market. in present problem of accommodating the coexistence of countries with different inomes per head will become yet more pressing.

long enuains imperfect the poorer countries' desir**e** owards the income levels of the richer ones leads to: greater pressure to increase nominal wages; demands for bigger transfer payments, and bigger budget deficits financed by creating money or quasi-money. In other words imperfect integration tends to make inflation the divergences in rates even greater.

The divergences between the apply to the extension of the 1980 and 1981 respectively against 3.1 and 2.5 in 1975 and Nor have these divergences been offset by produc-European Monetary tivity gains in the countries the foreign exchange markets,

6 Indicators show that have begun to disintegrate 9

Fluctuations in the dollar affect the various EMS economies differently, according to the composition of each country's foreign trade. The current exchange rate situation shows that a rise in the dollar has more widely differing effects than a fall.

So the EEC monetary authorities face a choice: they can either keep monetary growth in line with the U.S. rate and coordinate their interest rates with those in America—thereby to destabilise exchange statesor they can pursue independent monetary policies and accept wider fluctuations of the dollar against the Community curren-

Since inflationary pressures have increased in all countries. the techniques of monetary policy have evolved in similar directions. Curbing the rate of inflation took priority and money supply targets have replaced interest rate objectives. Setting interest rate targets

means that the monetary authorities lose control of the volume of money and credit. Setting an exchange rate target has the same disadvantages. The same drawbacks also use of the ECU. The EEC Commission has proposed that central banks be obliged to accept ECUs at fixed rates of exchange. and that private individuals be allowed to use them to settile alowed to use them to settle would mean that the EEC member countries with the lowest levels of inflation would have their control of the quantity of money and credit reduced.

For them, money supply would depend not simply on domestic conditions, but also on policies and conditions in neighbouring countries like West Germany and the Netherlands with low inflation.

It is thus not surprising that, when the issue was discussed by finance ministers and central bankers at Brussels in the middle of this month, the monotary authorates in these countries, led by West Germany, strenuously opposed the attempt to compel them to transform currency units created outside their direct control into national currencies at a fixed price.

The dispute was similar to the debate in Stockholm in March 1968 on the extension of the circulation of SDRs, SDRs were defended as the alternative to gold, and, rather less clearly, to fluctuating exchange rates. At that time the strongest opposition came from France.

The fact is that trying to accommodate countries with different inflation rates in one monetary system will not be achieved by means of an invention which only aggravates inflation in those countries which have been most successeliminating the forces tending ful in achieving a high degree of monetary stability. Mechanical devices of this kind do nothing to consoldiate the unity of Europe and instead might have the effect of making it less popular.

The major threat to economic integration is protectionism. both open and concealed. There should be much greater courage in opposing it resolutely. Enforcing the rules of the Treaty of Rome is not easy: what the institutions of the Community have accomplished in enforcing them thus far deserves the greatest respect.

Guido Carli was Governor of the Bani. of Italy 1960-1975, and is a former head of Contindustria. He is now an economic consultant.

#### Letters to the Editor

#### Cash flow advantages from a non-indexed loan

From the Joint-Managing

( Inthe st. )

Hambros Life Assurance. Sir,-Samuel Brittan (March 15), quoting Tony Rudd, points out that high interest rates present a severe cash flow problem for businesses in the early years of a loan, argues that the problem, and suggests that present corporation tax rules block this as a practical solu-

In fact, a borrower can, with the same cash flow advantages from a non-indexed loan, and with no corporation tax complications. This can be achieved by arranging a conventional fixed term loan, with interest related to base rate, subject to one additional condition: the lender undertakes that, immediately after receiving each annual interest payment, it will make an additional loan equal to the rate of inflation that year, multiplied by the existing capital amount of the loan.

#### A profitable project plus employment

From the President, National Union of Mineworkers. Sir,-I was interested to read Moreton's report 16) on the Melton

moustrial development aid scheme to attract new industrial activity to the Melton Mowbray area in order to alleviate local unemployment It is a pity that Government

delays have so far prevented implementation of one project would increase prospects in that area—a project which has been opposed, surprisingly, by Mr Latham, the local Member of Parliament, I refer, of course, to the National Coal Board's north east Leicester-shire project, the planning inquiry for which closed about two years ago. When the NCB gave evidence to the inquiry, it stated that direct employment on development of the project would provide about 1,200 jobs by the mid-1980s; these figures are now, of course, unrealistic because of the inordinate delay in coming to a decision on this project-and in any case they took no account of the substantial additional jobs which would have been generated through local authority work on the provision of housing,

ds and other infrastructure or the project and through the ocrease in general economic ctivity in the area. At a time when over 3m are memployed, it is appalling hat the coal industry should have been prevented for almost

An example will make this clear. Assume that the original loan is £100,000, that the interest rate payable at the end of the first year is 14 per cent (say 2 per cent over base rate) that inflation during the year was 10 per cent. the borrower paying the interest of £14,000, the lender repays £10,000 to the borrower as an increase in the loan, raising the total loan to £110,000. It will be observed that the borrower can treat the full £14,000

as a deduction for corporation appropriate co-operation from a tax purposes and is dramatically lending institution, get precisely better off in cash flow terms. Provided interest rates move broadly in line with inflation, borrower and lender are in the same position as they would have been in under an indexlinked loan: for example, the capital value of the loan in the above case would have been the same £110,000 if the loan had been index-linked. The two approaches diverge in practical effect only when there is a

sharp divergence between short-term interest rates and the rate

on a project which would provide so many jobs during its development, and about 4,000 permanent jobs in a highly profitable project which is essential to our energy future. I hope that the industry which I am leaving will even now be allowed to make an early start on this vital project, with all the benefits it can bring to the construction industry, the coal industry and the country.
Joe Gormley,

222 Euston Road, NW1.

Not quite what

it seems From Mr P. Jenkins

Sir,-It does not seem to be generally realised that the alleged index-linked stocks are not quite that. For example, the July 1982 interest payment on 2 per cent 2006 will be 1.11 cent, whereas the ratio of the RPT's between base date 19.11.80 and 19.7.81, which is supposed to be the index ratio, is 1.11966, an addition of 11.966 per cent. It appears to be sury practice to take the ratio to the lower integer.

If so, the average discount on the full inflation rate will be per cent p.a. This is for practical purposes equivalent taking i per cent off 2 per cent coupon. Thus, the whole return at par of a truly II. stock would be "inflation plus coupon." If the first part of this sum is reduced by per cent, it is the same as reducing the second part, ie, the coupon. If, therefore, my assumption as to Treasury inten-tions is correct (and I have no wo years from making a start means of forecasting its future Bearsted, Kent.

One political priority Precisely because of the possi-

From Lord Sainsbury

bility of such divergences, no lending institution (other than the Government) could afford Sir,-May I say how strongly to lend money on an index-Brittan (March 18, Lombard), linked basis unless it could be ensured a matching flow of that those who believe in a mixed economy, with a strong index-linked deposits. It should be noted that the deposits would have to be matched in term as well as size, because an enterprise should have one priority - namely, that the Labour Party should not be able institution which had made to form a majority Government large amounts of index-linked in the UK until it reverses many loans could not take the risk that its index-linked depositors of its present policies and the acceptance into its ranks of the would switch to conventional deposits in a year when short-term interest rates rose sharply basically revolutionary Marxists

To avert this possibility, there must be a change in the in relation to the inflation rate. In truth, index-linked loans in the private sector are in-hibited more by virtually inelectoral system to some form of proportional representation, which is only likely to be achieved if there is a strong force of SDP/Liberal Alliance than by corporation tax obstacles. From the all-important point of view of the cash members in the next House of flow of company borrowing, however, the same effect can

As a beginning to achieving that end, it is my hope that many erstwhile Conservatives and many non-party voters will vote for Roy Jenkins at Hillpractice) the "real yield" of

these stocks is over-estimated by House of Lords, \$W1. i per cent, a large part of the

> A broad alliance of the Left

From Mr F. Goldsmith

Sir, Samuel Brittan in Lombard (March 18) suggests that it is a mistake for the Conservatives to attack the SDP. Mr Brittan appears to be consider-Sir,—Mr Crum (March 18) raises an interesting question regarding the transmission of funds in the banking system. One can only assume that the late arrival of funds on his account at the building society was due to a weekend falking immediately after the 27th of ing only what the SDP say and not the way in which the SDP and, more importantly, its Liberal allies actually behave.

It may be relevant to consider the way in which the Liberal group at Bedfordshire County has acted since election in May 1981. It has consistently voted with the Labour group in resisting any cuts in expendi-ture, in voting through new expenditure and in recently orcing through a 39 per cent increase in domestic rates.

It can be assumed that the SDP is to the Left of the Liberals and it is obvious from what is happening in many places that the Liberal-SDP-Labour form a broad alliance

It is an illusion to think that any party other than the Conservatives can provide the moderate broad-based consensus which the great majority of British electors look for and the recent Budget has made it clear that the Government represents the only party which has both the will and the ability to serve all the community.

F. J. Goldsmith. Oak Bank Oak Bank Drive.

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### Disposals and fall in interest boost Burton

interest charges from £3.14m to £0.27m and a £1.63m profit on disposal of trading properties have helped the Burton Group to raise pre-lax profits from £8,55m to £14.17m for the 26 weeks to February 27 1982. The interest cut follows last year's elimination of bank borrowings. Turnover, including tax, of

this menswear and womenswear retailer, slipped from £124m to £116.9m, but excluding activities now disposed of, there was an increase of 14 per cent over last

Trading profits from continued activities rose from £10.75m to £12.77m. Group operating surplus climbed by 56 per cent to £12.49m (£8.02m) and there was an improvement in sectors of its operations. Other income, principally on property disposals, totalled £1.68m

Tax charge increased from £696,000 to £2.1m and after crediting last time an extraordinary item of £4.27m, attri-butable profits came through changed at £12.07m, against £12.12m.

The interim dividend is being raised from 2p to 2.5p net per 50p share, to reduce disparity, and absorbs £2.02m (£1.6m). Last year's final was 4.5p on taxable profits of £16.37m.

The group's meanswear retailing business, comprising Burton (incorporating Jackson) and Top Man has raised first-half sales by 15 per cent on the same period of 1980-81. The womenswear retailing side of Top Shop. Dorothy Perkins, Evans and Peter Robinson increased sales

The board says these increases have been achieved against a background of generally static consumer demand. The group has continued to gain market share as a result of its policy of investing in new and modernised branches and by the broadening of the product

the Although economic climate is relatively confident of the group's ability

#### W. E. NORTON

The half-yearly preference dividend payment due on March 31, 1982, at W. E. Norton (Rold-ings). machine tool merchant. will have to be deferred, the directors state, because the com-pany is not yet trading profit-

For the six months to March 31, 1982, the directors say there is some evidence of a slight improvement in trading conditions, but this is insufficient to affect the result for the full year. Mr R. W. Aitkent has been appointed as a non-executive

#### HIGHLIGHTS

Lex discusses the 1981 figures from London and Scottish Marine Oil which show pre-tax profits sharply up from £47m to £113m before inclusion of the special "make-up oil" relating to its increased stake in the Ninian Field. LASMO has paid a maiden dividend on its ordinary shares of 10p. The column also looks at Burton Group which has brought out its first-half results ahead of time. They present a good picture with underlying profits up 18.7 per cent at £12.8m and the balance sheet now free of debt. Growth at the pre-tax level was about two thirds and the dividend has been increased. Lex also examines the major placing of STC shares yesterday by FTT which brought the U.S. parent's holding down from 85 per cent to 75 per cent and produced nearly £50m. Elsewhere in company news Paterson Zochonis reports a slight increase in interim taxable profits from £12.2m to £13.1m, while Willis Faber lifted its pre-tax total from £19.3m to £17.1m.

#### Smith & Nephew £4.8m advance at year end

FINAL QUARTER pre-tax profits (£6.97m). of Smith and Nephew Associated Comme Companies increased from 57.65m panded by £37.5m to £251.02m.

The directors expect first-quarter profits in the current year to be higher than the £6.08m.

Stated earnings per 10p share are 9.9p, against 8.79p, and the dividend is effectively raised to 4p (3.47p) net with a final distribution of 2.7p (2.311p adjusted). Also proposed is a one-for-eight scrip issue.

An activity analysis of sales bealthcare £132.1m (£102.9m) and £16.4m (£13.6m): personal hygiene £36.5m (£36m) and £5.3m (£5.3m); toiletries £16.9m (£18m) and £2.3m (£1.8m); medical and other textiles £29.9m (£31.6m) and £2.1m (£2.6m); plastics and tapes £58.3m (£44.2m) and £3.9m (£2.7m). activities

Sales between activities amounted to £22.7m (£19.2m).

A geographical split of the same figure shows: UK £130.3m (£123.6m) and £14.5m (£14.3m); Europe £35.2m (£25.1m) and £3m (£2.2m); Australia and Asia £33.1m (£26.9m) and £3.6m (£2.6m); Africa and Middle East (£26.6m) and £5.3m Americas £43.9m (£3.8m): (£30.5m) and £3.6m (£3.1m).

Above the line, depreciation on fixed assets amounted to

Commenting on the extra-ordinary items, the directors say to £9.66m and lifted the full that further losses were invear's figure, ended January 2 curred on the final disposal of 1982, to £29.13m against a previous £24.32m. Turnover exsmaller business terminations, but these were substantially off-set in 1981 by a profit on the disposal of the plastic street extrusion business carried on by Iridon, and Dreico.

At £37m, net borrowings were slightly down on the pregions year and represent 25 per cent of total assets employed— £148.55m (£131m). Shareholders' funds were £108.05m (£90.65m).

• comment

and operating profits, £30m Profits of Smith and Nephewifor (£26m) shows: medical and the full year are up an impressive 20 per cent and all of the growth came from overseas. For the first time, S and N has earned more than half its profits outside the UK, which is a further demonstration of the depth of this reliable performer. In the first half, associates led the way, with Mexico buoyant and British Tissues enjoying low cost pulp. In the second half, Tissues was hurt by rising dollar prices for pulp but many of the group's. subsidiaries took up the running.
Operating profits were up nearly a quarter in the second half only a 7 per cent rise in the first half. Opsite and Flamazine gained greater acceptance, especially in Africa and the Middle East. Plastics and tapes did especially well in the U.S. 67.13m (£6.28m), interest charges and Australia. Medical textiles were £6.15m (£6.03m) and associate companies share of profits contributed £5.27m, companied with £4.23m. from personal hygiene reflect a fough UK market and some Tax for the year took \$8.95m, impact of the U.S. health scare against £6.84m, and after minority interests of £8.000 the shares carry a well-earned (£39,000), and a much lower expremium rating of just over 15. traordinary debit of £636,000 The balance sheet is stronger (£3.93m), the available balance and the dividend comfortably was up by £6m to £19.51m. covered in CCA terms. The yield Dividends will absorb £8.18m is 5.5 per cent.

#### Fairclough LASMO surges ahead to £113m 31% ahead to £13.5m

SECOND HALF 1981 profits of Fairclough Construction Group, the Cheshire based civil engineering and building contracting company, have increased from £6.07m to £8.32m, taking the year's result up to a record £13.45m—a rise of 31 per cent or 1980.

At the interim stage—when profits exceeding £5m for the first time were reported—the directors said that turnover had been slightly reduced mainly due to delayed starts on certain metor contracts. They said that overseas activities had been a little disappointing but they were confident that the second has would be more successful.

For the full year turnover was lower at £245.59m against £240.5m. The directors explain domestic turnover was sightly down but the scope of extended at home and overseas in particular through associated in particular through associated companies and investments.

The work load on hand is good and ahead of last year, they repore At the end of 1981 group liquidity showed an increase of £157m to £28m.

Examings per 25p share are stated to be up from 18.79p to 21.75p. The total dividend is lifted by 1p to 5.5p, with a final of 355.

pings per share for 1980 are stated prior to release of defected tax of £10.34m. Allowing for this attributable profits comes, through down from £18.05m to £8.53m. CCA pre-tax profits are £10.4m.

#### ● comment . . .

Shares in Fairclough Construction netched another peak on the 1981-82 trading range with a 10g rise to 164p yesterday. The extent to which the rating is going to make more progress depends on where, on a predominarity domestic operational base, the group commits its en-viable each balances. The 15.1 per cent stake in French Kier could be a useful bid platform but, for the moment, Fairclough seems to be looking more to an operating link-up in comple-mentary areas rather than an aggressive take over. The holding in Power Securities in the Irish Republic may be pointing the way toward new property investment. For the moment, the threefold rise in interest receivable accounts for much of the 30 per cent increase in pre-tax profits and provides very underpinning for the shares at current levels even if the yield is a little under 5 per

#### YEARLINGS SAME

The interest rate for this week's issue of local authority honds is 131 per cent, unchanged from last week and compares with 12; per cent a year ago. The honds are issued at par and are redeemable on March 30,

### TAXABLE PROFITS of London duty, petroleum revenue tax and and Scottish Marine Oil Company corporation tax amounted to and Scottish Marine Oil Company have surged ahead from 147.3m to £113.2m in 1981, on sales well up at £237.1m, compared with taxation and royalties, including £108.4m. First-half pre-tax figures had climbed from £20.36m to £55.03m. Company to £119m, representing 76 per cent of the group's UK profit before taxation and royalties, including that from make-up oil. The benefit of safeguard relief has reduced the 1981 charge by

The year's after-tax profits have nearly doubled to £40.5m (£22m) after including £7.1m this time from the sale of makeup oil. This arises from the sale of 2.1m barrels of crude oil due to I.ASMO as a result of the up-ward and retrospective redeter-mination of its interest in the Nintan field.

Stated earnings per 25p share increased from 30p to 55.2p including make-up oil and 45.5p excluding it. As forecast at the interim stage, a final dividend of 6p net is being recommended making a total for the year of 10n (nil).

will receive a payment of will receive a payment of 73.1344p per unit on April 20, in respect of production for the six months to December 31 1981. The payment for the previous six months to June 30 was \$2.7536p.

Operating profits for 1981, excluding make up oil, advanced from £70.2m to £133.2m, after deducting royalties of £19.2m (£9.1m) and production, operating and other costs amounting to £84.7m, £29.1m).

Net interest payable decreased by £7.2m to £10.4m and payments on the oil production stock absorbed £9.5m).

Tax charge rose sharply from £25.3m to £79.8m and attributable profits emerged £20m higher at £41.7m, after crediting the makeup oil profit and unrealised exchange items. The ordinary dividend costs £7.3m.

The provision for UK tax for the year was 292.000 b/d (231,000 b/d). The field is expected to be production operation and unrealised exchange items. The ordinary dividend costs £7.3m.

The provision for UK tax for the year was 292.000 b/d (231,000 b/d). The field is expected to be maintained atto 1983.

LASMO's share of offtake from the wett gas field was 8.1bn cubacted in 1981. Agreement has been reached with the British G2 Corporation for an increased spice of gas from the British G2 Corporation for an increased spice of gas from the Ewett fight. The new price is retrospected to October 1 1980 and the fight results have been fisted by £7m affer tax.

The grow's wholly owned US. subsidiar Bates Oil Corporation, has contined its successful programme. As also entered into a joint wenture with a Dallas company involving an active exploration in required in 20 oil and gas properties in Texas and Louisiana. Production net to CASMO is now about 2,000 b/d for 1981.

Last vear the company acted UK as well as participating in a further six exploration and appraisal wells in the UK sector of the North Sea.

The provision for UK tax for the year by way of government royalty, supplementary petroleum representative and the profit and unrealised exception and unrealised exception and unrealised exception and unrealised exception and

£16.6m without which the charge would be 85 per cent.

Current cost accounting shows pre-tax profit for 1981 of £107.4m (£43.6m). Group sales for the year totalled 14.3m parrels of crude oil, and 8.3hn cubic feet of gas. LASMO's Ninian crude oil continues to be sold under term contracts. The term price, which governs these contracts, came

under severe pressure in the latter half of the year and this downward movement has continued into 1982. However, this fall has been compensated by an increase in the value of the dollar On (nil).

and in sterling terms the price Oil production stock holders of a barrel of Ninian crude oil since early 1981 has risen

DIVIDENDS ANNOUNCED

•		Date	COLLE	TOTAL	TOLE
	Current	of	sponding		last
•	payment	payment	div.	year	Year
Brent Chemicals	. 1.7	_		2.3	2*
British Carin	t 1.75	July	1.5	_	3.5
Burton Groupgin	t 2.5	July 30		<del></del> .	6.5
Equity and Law		July 1		15	13
Fairclough Construct		July 1		5.5	4.5
Fife Indmar		April 30		6	4
Finlay Packaging			1.1	2,25	1.5
Firmin and Sons		May 19		4	3.5
Jove Investment Trus	1 3.3		23	4.3	4.3
LASMO	. 6	May 21		10	nÜ
Paterson Zochonisin	1.33		1.33*		4.33
Peachey Propertyin	2.25	May 27		<u> </u>	4.5
Ricardo Engineersint	35	April 16			8.5
Smith and Nephew		May 25		4	3.47
Tomatin	nil		0.I	กมี	0.1
Waterford Glass	0.91		0.91	1.51	1.51
Watmoughs Holdings		April 30		5.45	5.25
Willis Faber	107	June 3		3.43 15	5.35 12
H. Woodward and Son	:17 -	April 27		2.2	34
THE PART WELL WITH DAY	1.6	WALLE TO	7.6	Z.Z	22

Dividends shown peace per share net except where otherwise stated \*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

and has also entered into a joint activities outside the U.S. are venture with a Dallas company now increasing with exploration involving an active exploration rights in Australia being obtained early in 1982. Group cash flow from operations, after tax payments of £44m, totalled £123m compared with £64m in 1980. At the end of the year net current assets LASMO is now about 2,000 b/d of the year net current assets and compares with 1,485 b/d for totalled £52.4m compared with net current liabilities of £25.8m a year earlier.

Capital expenditure totalled £49m, comprising £17m for Ninian field redetermination, £20m on development and pro-duction facilities, and £12m for exploration and appraisal Capital expenditure for exploration, appraisal and developmen is expected to amount to £35

### Willis Faber soars 40% to £27m Tomatin

SHARPLY INCREASED profits are reported by insurance had foreign currency income broker Willis Faher for 1981, beef converted at exchange the pre-tax figure emerging 40 rates which were achieved in per cent higher at £27.18m, compared with £19.37m. Income for the period was well ahead at £66.61m. against £54.48m, but enses took £6.3m more at £46.31m.

With stated earnings per share advancing from 23.9p to 32.31p the dividend for the year is being stepped up by 3p to 15p net per 25p share by an increased final of 10.7p (8.2p). Commenting on the results Mr David Palmer, the chairman, says the rise in income (22 per cent) reflected real growth in the group's portfolio of business combined with the effects of continued high interest rates and the deckine of sterling.

- Expenditure in the second six months takes account of special

payments to group pension schemes and a special bonus to the UK staff amounting in total A full list of issues will be expenses for 1981 increased by published in tomorrow's edition. 13 per cent.

The chairman estimates that £2.72m. 1986 group profits would have been lower by some £4m.
The taxable surplus included

a profit of £1.11m (£0.76m) from the group's subsidiary, Sowereign Marine and General Lisurance Company, and a share of profits of associates which improved from £4.14m to £5.77m. Tax took more at £13.86m (£9.63m) and after extra-ordinary credits of £209,000 (£10,000) and minority debits of £70.000 (£2,000 credit) the available balance came through

at £13.46m (£9.76m) from which dividend payments absorb £6.22m (£4.94m).

In addition to the growth in throughout the group and a size-profits of the group's broking able currency gain. Investment subsidiaries its share of profits income is up by nearly 30 per of overseas associated companies cent to £13m thanks to the also showed a substantial group's strong balance sheet. In December 1981, the improvement. Morgan Grenfell, Despite Morgan Grenfell's in-company received EEC cereal to approximately £1m. Excluding which the group is a major ing these exceptional items shareholder, again produced excellent results, contributing

Current cost adjustments reduce the group's pre-tax surplus to £25.8m (£18.24m) and on the same basis earnings per share were 28.92p (21.11p).

After six montks historical pre-tax profits had risen from £11.94m to £14m.

comment

On the neels of Sedgwick's good results last week, Willis Faber's figures confirm that large, efficiently-managed panies can shrug off the troubles of worldwide brokerage slump without too much difficulty. Like Sedgwick, Willis reports good improvement in reinsurance markets, a reduction in the expense/ income ratio, improved volume and aviation insurance broking business may now be picking up, the market is looking for about £32m pre-tax in the current year. That gives the shares, up 13p to 433p, a prospective fully-taxed p/e of more than 11, which is soon to customers. The amount of payment and method of settlement have not been decided and therefore no credit has been taken in the 1981 profit and loss account, say the directors.

There was a tax charge this time of £20,000, compared and method of settlement have not been decided and therefore no credit has been taken in the 1981 profit and loss account, say the directors.

### deficit **increases**

HIGH FINANCE costs and

passed-last year a total payment of 0.1p was made. At the interim Losses per ordinary 25p share

rose from 20.96p to 37.3p. Distillery production has been reduced by approximately 50 per cent compared with 1980, say

# Fairclough Construction Group p.l.c.

Group Results-Year ended 31st December, 1981	1981 £'000	1980 £'000
Turnover	245,588	264,047
Profit before taxation	13,451	10,270
Profit after taxation (excluding, for 1980, release of deferred taxation)	9,566	8,248
Earnings per Ordinary Share	21.79p	18.79p
Dividend per Ordinary Share	5.50p	4.50p
·		•

Points from the Statement of the Chairman. Mr. Oswald Davies, C.B.E., D.C.M.

- Profit before tax increased by 31%
- Liquid funds increased to £28 million.
- Earnings per share and dividends substantially increased.
- Work on hand ahead of last year.

Sandiway House, Northwich, Cheshire. Telephone: Sandiway 583885, Telex: 669708. CIVIL ENGINEERING BUILDING TUNNELLING SURFACE MINING STRUCTURAL STEELWORK-MATERIALS HANDLING MECHANICAL ENGINEERING

#### Caisse Nationale de Credit Agricole U.S.\$250 million Floating Rate Notes due 1997

In accordance with the Conditions of the Notes. notice is hereby given that for the six months period 24th March, 1982 to 24th September, 1982 Notes will carry an interest rate of 15.4375%.

Relevant interest payments will be as follows:-Notes of U.S.\$10,000 = U.S.\$789.02.



THE FIRST NATIONAL BANK OF CHICAGO

### Rents boost Peachey at halfway

AN INCREASE of £823,000 to £2,67m in pre-tax profits is reported by Psachey Property Corporation for the six months to December 25 1981. Income improved from £2.68m to £3.41m, with net rents increasing by £678,000 to £2.41m. Profits on grading property sales were 2519,000 higher at £853,000.

Sir Charles Ball, the chair-man, says net rents will contipue to increase in the second half, and trading profits for the year are expected to be above those for last year.

He says the company is actively disposing of some of its blocks as part of its policy of portfolio improvement. Two small blocks have been sold to the tenants, and negotiations are in progress for the sale of other

The interim dividend is First half profits of Peachey dividend is held, the prospective increased from 1.5p to 2.25p.— Property are greater than those yield is just over 5 per cent.

last year's total was 4.5p from pre-tan profits of £4.7m (£3.87m). Sir Charles says the increase in the interim is to provide a more even distribution between it and the final, and is not an indication of the level of the final dividend. The first half pre-tax figure

was struck after interest charges of £88,000 (£242,000) and administration and other expenses up from £592.000 to £651.000. There profits higher at £1.29m (£911.000) after a transfer to capital surpluses of £393,000 (£204,000). Dividends absorb

comment

Avenue Close acquisition has contributed about £0.5m to net rents and rent reviews are adding £0.3m annually. The profit on trading property is unusually of house and maisonette sales but the full year rigure should above last year's £1.2m. In all, pre-tax profits should finish the year up a sixth to £5.5m Peachey is still selling blocks of was a tax charge of £1.38m flats in London, and the residen (£936.000), leaving attributable tial portion of the portfolio is probably down a couple of points from 18.5 per cent at the last year end. Assets per share could (£204.000). Dividends shares at 148p, up 15. Stated earnings per 25p share 39 per cent discount, further below the sector average of than might be be over 240p, which leaves the shares at 148p, up 1p. at a .32 per cent than might be expected. Assuming the final

### Waterford Glass over I£10m

SECOND-HALF 1981 pre-tax profits of Waterford Glass in-creased from IE3.51m to I£6.32m, following an improvement of following an improvement of the first half. Profits for the whole of 1981 rose from £8.05m to £10.36m. Turnover of this manufacturer of lead crystal cut glassware rose from £154.1m to £190.25m. The final dividend is un-changed at 0.911p for a same-

again total of 1.511p. The directors say the group has returned to a more profitable level of trading due to a general improvement in all areas, and, in particular, in the department store division. But they say the current world-wide recession continues to provide challenge to the maintenance and growth of profitability in most sectors, and in such an economic climate it would be

difficult to speculate on the out-come (or 1982.

The pre-tax figure was struck after interest charges up from 12 28m to 25.73m. The tax £3.36m to £5.73m. The tax charge was £1.26m (£1.63m) and minorities accounted for £373,000 compared with £69,000. Stated earnings per 5p share increased from 2.99p to 4.1p.
On a CCA basis, pre-tax profits were £5.06m against £1.98m.

comment After 1980's setback, the first

drop in profits for 26 years, Waterford has resumed normal service as soon as possible. At the trading level the recovery looks even better, with record profits of Ir£16.1m, a rise of 41 per cent. The increase in interest charges owes much to the buildup of stocks in the new lighting- 1979's rec ware business, which is unlikely 17611.6m.

and the rise in Irish interest raes. With the Ir£20m surplus on property revaluation, the share price is now at a discount to assets of around 35p per share. Following 1980's stock write-offs. the Switzer retailing division has returned to profitability, though probably not back to the level of 1979's Ir£1.9m. The basic crystal glassware business has made a considerable advance with improved working practices, and wage increases below the level of inflation. Exports enjoyed the further bonus of 1981's 16.3 per cent decline of the Ir£ against the dollar. After the results the share price shed in to close at 21.5p. yielding about 8 per cent. This year could see a return to 1979's record pre-tax profits of

#### Ricardo **Engineers** up 85%

THE IMPROVED performance which began to show itself in the second half of last year was sustained in the first six months of the current year.

For the period to December 31 last taxable profits sourced from £438,000 to £811,000—a rise

of 85 per cent—on revenue higher at £4.73m, compared with In his interim statement Mr Diarmuid Downs, the chairman, says demand for the group's services, both as consultants and

contract design, development and

research engineers, remains high. He adds that new orders, both educational and industrial, received by group subsidiary G. Cussons are higher than last year and are currently on the budgeted, target. The present situation of the group is "re-garded as satisfactory."

Half-year earnings per 25p share are shown to have risen from 9p to 15.2p but the net interim dividend is being held at 3.5p-a final of 5p was paid for 1980-81 from pre-tax profits of £1,15m (£1.21m). First-half pre-tax profits this time included an interest credit of £81,000, against a charge of

£99,000. Tax, however, was higher at £263,000 (£146,000). After preference dividend payments of £2,000 (same) the available surplus emerged at £546,000 (£290,000) out of which ordinary dividends absorb a same-again

Allowing for current cost adjustments the pre-tax profit is reduced to £613,000 (£274,000).

Price % 344 302 316 110 347 208 364 242 149 50.5 40 52.7 91.5 99 10 153.5 Dragados ...... Espancia Zinc Fecsa Gai. Preciados

reduced distillery production have contributed to increased losses at Tomatin Distiller Company. The pre-tax deficit increased from £1.36m to £2.37m on turnover down from £10.74m to £9.49m. The final dividend has been

stage pre-tax losses stood at £1.12m (£505,000 loss).

the directors.

than 11, which is good value for £1.13m to £2.39m. On a current the sector. The shares have an cost basis the attributable deficit historic yield of about 5 per cent. amounted to £2.6m (£1.41m).



Scandinavian Finance B.V

£20,000,000

Sterling Floating Rate Notes 1990 Guaranteed on a subordinated basis by

Scandinavian Bank Limited

For the three months 23rd March, 1982 to 23rd June,

In accordance with the provisions of the Note, notice is hereby given that the rate of interest has been fixed at 131) per cent and that the interest payable on the relevant interest payment date, 23rd June, 1982 against Coupon No. 8 will be £34.82.

Agent Bank: Morgan Guaranty Trust Company

#### M. J. H. Nightingale & Co. Limited

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	1-82				Gross	Yeld		Fúl
	Low		Price	Change	diu (n)		Actual	Tax
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75	62	Airsprung					11.6	16
51	33	Armitage & Rhodes	73	. —	4.7	6.4	3.8	16
205	187	Bardon Hill	45	_	4.3	9.6	9.7	41
107	100	CCI 11na Come Book	199	<b>–</b> .	9.7	4,9	3.7	• • •
104	63	CCL 11pc Conv. Pref	107	_		14.7		. 6
131	97	Deborah Services	63	_	6.0		. 3.1	
83	39	Frank Horsell	127	_	6.4	5.0	11.4	23
		Frederick Parker	78xd	·	6.4	8.2	4.0	7
78	46	George Blair	54	+ 1	-:	_		
102	93	Ind. Precision Castings	97	+ 1	7.3	7.5	7.0	10
109	100	Isis Conv. Pret.	109	· <u>-</u>		14.4	_	,
113	94	Jackson Group	87	• =	7.0	7.2	3.1	. (
130	108	Jamas Burrouch	116	+ 2	8.7	7.5	8.5	10
334	248	Robert lanking	252	. 4 2		124	3.5	
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722	159	Torday & Carliala	159		10.7	6.7	5,1	. 9
15	10	Twinlock Ord.		_	10.7	9,7		٠.,
80	66	Twinlock 15pc ULS	14					
44		Unileck Holdings	7917	~ .		18.9.	4.5	
103	73	Walter slaves	35	_			4.0	Ś
253	212	Walter Alexander	79	· <del></del>		8.1	5.2	8
æ3	414	W. S. Y85193	Z30	+ 1"	13.1	5.7	4.4	. •

THE TRING HALL USM INDEX 120,1 (+0.3) close of business 23/3/82 BASE DATE 10/11/80 100

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LADBROKE INDEX Close 563-568 (+8)

### Lower copper | LIT in \$13m prices hit Codelco profit

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Nacional del Cobre (Codelco). the Chilean state owned copper producer, fell sharply last year to US\$97.26m (£54m), compared with \$401.25m in 1980.

Codelco said the decline was

The volume of copper production was little changed last year at 893,600 tonnes. Chile accounts for about 17 per cent of world copper output.

processing capacity at the company's four mines in order to maintain cutput at current levels from declining grades of

ore. Existing cue to a 20 per cent fail in copper prices last year to the lowest level for two decades, reports Mary Helen Spooner from Santiago. Lower prices for by-products also had an immact.

processing facilities should, however, permit Codelco to meet this year's production target of \$60,000 tonnes.

Col. Reyes added that any changes in capital spending plans would not affect the processing facilities should, however, permit Codelco to meet Col. Reyes added that any changes in capital spending plans would not affect the company's medium and long term projects, such as the planned expansion of the huge

Chuquicamata mine in northern Codelco's second largest mine

Codeleo's second larges, mine,
vice-president for operations, its output by almost 26,000
said Codeleo was rethinking its tonnes in 1981 despite the effects
investment plans, most of which of a lengthy strike in May.

### Sales agency fears in Zimbabwe

mineral marketing agency, which will transfer responsibility for He went on mineral sales from foreign- state planned to get involved in owned multinational companies the development of strategic to the government, should be minerals such as coal and fully operation al within a month, uranium, but state participation according to Mr Maurice in non-strategic minerals would Nyagumbo, Minister of Mines. depend on whether the private The announcement is sure to sector welccause consternation within the involvement. country's mining industry, which had hoped to obtain some concessions before the agency started operating. The agency

will eventually assume respon sibility for marketing all of Zimbabwe's wide variety of minerals, apart from gold. The value of the country's mineral

of another new state-controlled in practice. body, the mining development

state-controlled eventually in exploration, Mr He went on to say that the ctor welcomed government

Mr Nyagumbo said that a number of countries had expressed interest in Zimbabwe's mineral resources, and teams from West Germany, Bulgaria, Yugoslavia and Romania are currently in the country undertaking feasibility studies on various deposits.

The prospect of what comcorporation. panles are likely to regard as promote government investingment in mining operations, and to this deterrent effect.

#### . Worldwide coal news

It is hoped to use the coal to fuel a local power station which the Electricity Trust of South Australia is considering con-sald in Kuala Lumpur that structing in the area. A decision Malaysia is looking to Australia

A large-scale testing com-bustion programme on Mannum brown coal is also being carried out in West Germany. Depending on the outcome of this, additional testing may be undertaken in

From Peking it is reported that From Peking it is reported that Cocidental Petroleum is due to sign a feasibility study in the next few days for the exploitation of the Pingshuo open-cut coal mine in China's northern province of Shanxi.

Mr Arnold Hammer, head of be supplying coal to Malaysia's Gocidental Petroleum, has held considered that Australia could also be supplying coal to Malaysia's growing cement industry.

#### ELF pays £1.4m Cooper Basin for Haoma UK

Haoma UK's principal areas of activity are in Yorkshire and South Humberside where the company is a member of a group consisting of Taylor Woodrow Energy, Candeca Resources, Energy, Candecca Resources, RTZ Oil and Gas and James

Elf will reimburse expenditure incurred by Haoma UK on onshore exploration from January 1 1982 until completion of the sale... Elf is also granting a cash royalty equivalent to 0.6 per

#### **ROUND-UP**

mine near Bancroft, Onario, with effect from June 30, according to Federal Resources of the U.S., which controls the Canadian operation. Federal Resources said it is looking for another market for its uranium, but the present position of over-supply is making this difficult,

The industry's concern will be many companies, both within deepened by Mr Nyagumbo's Zimbabwe and outside the statement that the marketing agency will be followed within two months by the introduction

#### AUSTRALIA'S CSR has lifted a first round of talks with the

AUSTRALIA'S CSR has lifted its estimate of brown coal reserves in the Mannum area of South Australia to 290m tonnes following the 1981 drilling programme. A further increase is expected from this year's drilling.

A different round of talks with the China Coal Development Corporation chairman. Kong Xun. Mr Hammer has described Pingshuo as one of the world's biggest open-cut coal mines with a projected annual output of 15m tonnes.

Australia's deputy Prime Minister, Mr. Doug Anthony, has said in Kuala Lumpur that Australia's on the type of power station to to supply it with large amount be built will be taken by the end of coal and iron ore for of this year.

He said that Malaysia needs some 1.5m tonnes of coal a year —worth about \$125m—for a coalfired power plant and expects Australia to supply a major part of 2m tonnes of iron ore annually for two sponge fron plants with a projected annual output of 600,000 tonnes by the mid-1980s.

### oil flow

The UK subsidiary of the french oil group Elf is paying lia's Cooper Basin has flowed oil at a rate of 2,500 barrels a day North West Oil and Gas (Haoma UK). following a drill stem test of the interval 5,240 to 5,278 feet. A drill stem test of the interval 4,860 to 4,962 feet failed to encounter hydrocarbons.

Interests in the well are held by Santos, 25 per cent, Alliance Petroleum, 50 per cent, Delhi, 15 per cent, Petroleum, 50 per cent, Delhi, 15 per cent, Petroleum, 50 per cent, Petroleum, 50 per cent, Petroleum, 50 per cent, Delhi, 15 per cent, Petroleum, 50 per cent, Petroleum

15 per cent, Vamgas 5 per cen and South Australian Oil and Ga Corporation, 5 per cent.

Merrimetra 8 is located 2.7km north east of the Merrimelia ? oil discovery and is drilling shead at 5.278 feet. Target depth is 7,300 feet.

Meanwhile the first tests of the Jackson South No. 1 well, around the south of the Jackson 1 of

take place under a specified licence.

Haoma and North West are currently in the process of merging. On March 16 Haoma had acquired 90.3 per cent of North West Mining.

Gold output from South
African mines rose in February to 1.7m troy ounces, against 1.68m oz in January. The latest figure is, however, lower than for February of 1981, when production was 1.73m oz.

The U.S. company owns 51 per cent of the Madawaska operation, with the remainder held by Consolidated Canadian Faraday.

\*\*

United Keno Hill Mines, a silver producer in Canada's

The cumulative total for the first two months of 1982 is 3.38m oz, a slight fall on the total of 1983 at the same stage of 1981. when the interest of the year. The country owned as to 48.4 per cent by falconbridge. Nickel, said it believes the silver price will remain in the range between the stremman from the Madawaska mine near Bancroft, Ontario, with effect from June 30, according to Federal Resource. ability depends on either a rise in the price or a reduction in operating costs:
The average price received last
year feld to C\$9.99 from C\$17.91
in 1980 and C\$19.33 in 1979.

# London Investment Trust is planning to extend the range of its commodity broking operations with an agreement to buy a leading Chicago dealer, Shatkin Trading, for a maximum consideration of \$133m. LIT, which derives almost all sprofits from E. Basilery in moditive.

of \$13m.

LIT, which derives almost all its profits from E. Bailey, the soft commodity broker, is to pay \$2m from its own resources and will raise a further \$6m by the issue of 18.51m shares. The vendors are to retain 6.17m shares, or 13.4 per cent of the enlarged equity, and the balance is to be placed by stockhrokers, Panmure Gordon, at a price of 18.5-64p per share.

The remaining \$5m is based on a performance formula. The deferred consideration will be paid in two equal parts provided that Shatkin's pre-tax profits in the financial years ending October 31 1982 and 1983 amount to over \$2m in each period.

per share.

exchange. .

Bailey and Shatkin hold three A fifth of the deferred con-sideration is to be satisfied by seats between them on the London International Financial the issue of new ordinary shares

#### Guinness Peat sale to reduce borrowings

Guinness Peat, the troubled commodities to banking group, by \$26.4m (£14.6m) over the next 10 months, following the sale at book value of April 30 1981, the group had net Performance Tyre, the U.S. tyre tangible asets of £41.84m, long-

Pearce, a large North American foreign exchange and money broker, and Telerate Inc., which operates a data communications system for the financial community.

The sale of Guinness Peat's stake in Unitel, which was announced on March 16, will reduce the group's net borrowings by \$28.0m (£15.5m). Guinness Peat says that the disposal represents "the realisation of a trade investment on very satisfactory terms."

Aside from the reduction in

borrowings, Guinness Peat says the saving in interest will repre-sent a "substantially greater contribution to Guinness Peat's income and cash flow than any dividends likely to be paid to Guinness Peat by Unitel in the medium term." medium term."
The book profit of £8.5m will strengthen Guinness Peat's

#### AGB EXPANDS

AGB Research PLC announces that its wholly-owned subsidiary Research Surveys of Great Britain has acquired a 20 per cent shareholding in Q.E.D. International Marketing Research

Q.E.D. is a consumer research company which was formed in 1975 and which specialises in motoring research. Although the major part of its revenue arises in the UK, substantial business is transacted in Germany, France and Italy.

The circular shows the effect on Guinness Peat's balance sheet

of \$1.59m in the last financial year but the contribution from the variable interest partnership in F W and Z Partnership is

members. That represented about 13 per cent of the total membership last year and accounted for some 10 per cent

of the total volume of that

of the various disposals announced in recent months. At Performance Tyre, the U.S. tyre merchants, in which it has a 62.5 per cent stake.

Details of the sale are included in a circular explaining the reasons for the group's 228.4m, long-term loans to 220.5m and net short term borrowings had fallen to 174.3m. Following the disposals the group's proforms net tangible asets amount to £36,2m, long-term loans are unchanged at

£20.5m and net short-term borrowings fall to £57.8m.

Mr P. J. D'Angelo, chief executive of Nonan, is to resign as a director of Guinness Peat. The circular shows that Mr Alastair Morton, who took over as chief executive of Guinness Peat in January, will be paid a salary of £85,000 in his first year. rising to not less than £115,000 in the year to end April 1984.

On February 11, Guinness Peat acquired Alastair Morton and Co., owned by Mr Morton and his wife, for £50,000 in cash,

#### PENNINE COMMERCIAL Pennine Oil, a wholly owned

subsidiary, has acquired a further 10 petrol-filling stations. Consideration is £200,000, navable as to £60,000 cash, £80,000 by way of issue of 800,000

ordinary shares and £60,000 by unsecured loan stock 1986. The acquisition brings the total number of outlets to 26 and the anticipated volume of retail

sales to 10m gallons annually.

Mar. 23 Total Contracts 1,880 Calls, 1,403 Puts 477

LONDON TRADED

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ý	Option	Ex'rcise price	Closing offer	Yoi.	Closing offer	Vol.	Closing offer	Vol.	Equity close
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ì	GEC (c)	90 850 750	18	. 1	36 10	=	57	2	829p"
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ł	<del></del>		<del>-</del>			_		•	

business at Sudbury, Suffolk, where it was Vauxhall-Opel-Bedford main dealers to the Ipswich Co-operative Society. Total price to be paid for the business, freehold land and buildings will depend on the valuation of stocks. However, \$350,000 has already been received in respect of the business, land and buildings, fixed in F W and Z Partnership is expected to turn strongly positive this year after earlier start-up costs and LIT chairman, Mr John Arthur. is confident that Shatkin's profits base has now been secured by its clearing income on the Chicago Board of Trade, on which it clears for 275 members. That respectated ness, land and buildings, fixed assets, vehicle hire fleet and yehicle demonstrators which vehicle demonstrators which have a book value of £322,000.

Payment for the stocks is expected to be made in April. This payment, together with the liquidation of vehicle stocks and debts which Arlington continues to own, are expected to realise not less than £600,000. The cash proceeds of these transactions will be used to reduce overall group borrowings.

#### BEMROSE RECEIVES OFFER FOR BALDING

lie. The board has, therefore, entered into detailed negotiations with a view to completing the sale of Balding and Mansell

#### ROBERT H. LOWE

295,102 ordinary shares, or 12.4 per cent, in clothing manufacturer, Robert H. Lowe. Of these shares. Mr A. Cameron is interested in 150,000 (4.7 per cent), which together with 95,508 (3 per cent) purchased by him.

shares (7.7 per cent).

Mr B. M. Lower, Mr J. A. L.

Lowe and Mr P. A. L. Beardmore

#### Arlington Motor sale

at an early date.

The value of the net assets
being disposed of is not material in relation to the assets of

Guinness Peat will hold an extraordinary general meeting Lowe has resigned from the to approve the sale of the Unitel board and Mr G. H. Brown, a stake, plus other resolutions at director of County Bank, has 10.30 am on April 8. at the been appointed to the board in Chartered Accountants Hall, EC.

County Bank and Refuge Assurance have each purchased nakes his total interest 245,508

no longer have a disclosable in-

OFFER FOR BALDING
Bemrose Corporation has received an offer to buy the business and assets of Balding and Mansell. The offer has been made by S. Harris, A. Dickinson and R. Tooke—the present managing director, sales director and works manager of Balding and Mansell.

In considering the strategic future of the Bemrose group, the board has decided not to concentrate on the markets served by Balding and Mansell and in which its major strengths lie. The board has, therefore,

morton Street Nominees have acquired a further 32,000 shares cent). Kean Investments has reduced holding to 300,000 ordinary shares (6.44 Wood Hall Trust - Company has received notice from Cartago that as a result of the offers made on behalf of Elder Smith

and Co. becoming unconditional, it no longer has any interest in the company's share capital.

H. Williams and Co.—Thames Investments has acquired 1,700 ordinary shares at £7 per share. Thames owns 7,364 ordinary shares. Thames has been deemed to be an associate of John Quinn

### S. Pearson returns for Longman minority

BY BARRY RILEY, FENANCIAL EDITOR

announced its intention to make another attempt to purchase the outstanding 36.4 per cent minority interest in Pearson Longman, the publishing group which owns the Financial Times A previous offer in 1978 failed to win the support of a large enough proportion of share-

holders.
Besides the FT, Pearson Longman owns the Westminster Press, a group of local newspapers, and a number of book publishing imprints including Longman, Penguin and Lady-bird. S. Pearson's diversified interests include ceramics, banking, oil, agriculture and leisure.

The new Pearson offer is conditional on the two Boards reaching agreement on the by its merchant banking sub-sidiary Lazards, and independent advisers are to be appointed by

Pearson Longman.
Mr Michael Hare, deputy Mr Michael Hare, deputy ance. It is understood that Atlas chairman and chief executive of is no longer a shareholder, S. Pearson and chairman of although some of the others Pearson Longman, said yesterday that Pearson wished to buy full control of the publishing group because "we think Pearson Longman is a fine company."

He went on to say that there were no particular advantages in having two UK quoted company whole. There were also complaints at

having two UK quoted com-panies, and there were some disadvantages.

For example, it was impossible to group Pearson Longman for tax purposes because the parent company did not have the required 75 per cent interest. In some years this meant that Pearson paid more tax than if Pearson Longman were a wholly

 Owned subsidiary. He also explained that Pearson Longman was tending to become

S. Pearson and Son yesterday more highly geared because of its new ventures in films and television. At the time of the previous bid Pearson Longman had no gearing at all. Although it was not expected that Pearson Longman's gearing would become high, such borrowings were increasing the complexities of managing the group given that

Pearson bore responsibility S. Pearson bore responsibility for the total debt.

The 1978 offer — of one Pearson share plus 30p in cash for each Pearson Longman unit — failed because it was conosed by a number of investment institutions. At the extraordinary proteins in Sectorable 1072 a meeting in September 1978 a majority of 75 per cent of the

votes cast was required, but acceptances were under 70 per Four institutions led the opposition: Clerical, Medical and General Life Assurance, Allas Electric and General Trust, British Petroleum Pension Trust and Equity and Law Life Assurance, It is understood that Atlas is no longer a shareholder.

good prospects compared with those of S. Pearson as a whole. There were also complaints at the absence of short-term profit

forecasts. Following the rejection of the offer Mr Michael Hare said that he could not envisage the group making another bid for the

minority. said that "four years is quite a long time." Many of the reasons for seeking to buy the minority in 1976 were still valid

chance," said Mr Hare, "that a successful agreement can be made, with much fuller consultation with some of the principal shareholders than was possible

Since 1978 the relationship between the S. Pearson and the Pearson Longman share prices has been comparatively stable. On average over the period the Pearson Longman price has stood at a discount of 13 per cent to that of its parent.

In the past few days specula-tion about a renewed bid for the Pearson Longman minority has above that for S. Pearson.

The new negotiations designed to provide more room for discussion with shareholders. Whereas in 1978 the takeover plan was keut secret until after a price had been agreed, this time the intention to make an offer has been announced well in

It is expected that the two sets of advisers will require 1982 forecasts to be produced, a process that could take some weeks. The intention is to be in a position to publish the agreed price of the offer at the normal date for the two-companies' full year

results announcement at the end of April. These will show, according to yesterday's statement, total profits, before tax and minorities for S. Pearson up from £47.75m to not less than \$59m and for Pearson Longman profits of not less than £21m compared with

£15.67m. When Pearson Longman's independent advisers are appointed it is likely that they will be taking discreet soundings to find out "We believe there is a good

#### SHARE STAKES

and his family, who own, or has purchased 200,000 ordinary control 17.9 per cent of the shares. R. Green Properties - Throgordinary shares. Plessey Company—W, J. Sinsheimer, director, on March 19. sold 100,000 ordinary shares consideration being £378,439.

Bishop's Group — Courtavids

Pension Common Inv. Fund now holds 298,510 ordinary (17.05 per cent). These shares are held in the name of the nominee company, Courtaulds CIF Nominees. Holyrood Rubber—Following a recent disposal Old Court Commodity, now holds less than 5 per cent of the issued capital. Paterson Zochonis—Mr J. Giannopoulos, director, disposed of 10,000 ordinary and 5,000 "A"

Hartons Group-M. Maimann

ordinary shares.

—Church Commissioners for England has disposed of 216,000 ordinary shares and now holds less than 5 per cent of the ordinary capital. General Consolidated Inv. Tst. -Sun Life Assurance Society has increased its holding to 1,825,000 ordinary shares (9.78

General Consolidated Inv. Tst.

Rock Darham-Bletchlord has acquired 3,000,001 ordinary shares. British American and General Tst. — Following a recent purchase of 350,000 ordinary Standard Lafe Assurance total holding is now 4,029,187 stock units (8 per cent).



The Arab Bankers Association announces its first major Conference -

### YKING & FINAN IN THE 1980s

Monday June 7th and Tuesday June 8th at the Intercontinental Hotel, London

The Conference is being organised to fulfil one of the Association's main objectives, that of furthering understanding and cooperation between bankers and businessmen concerned with Arab banking and finance. Major topics of current interest to bankers and businessmen will be covered by the

CONFERENCE CHAIRMEN His Excellency Shaikh Abdul Aziz Al-Quraishi. Governor, Saudi Arabian Monetary Sir Jeremy Morse, Chairman, Lloyds Bank Sir John Prideaux, Former Chairman, National Westminster Bank SPEAKERS His Excellency Shaikh Ahmed Abdullatif. Deputy Governor, Saudi Arabian Monetary Agency

(names of speakers in alphabetical order)

His Excellency Mr. Hassan Al-Najafi, Governor, Central Bank of Iraq His Royal Highness Prince Mohammed Al Faysal Al Saoud, President Infernational Association of Islamic Banks

His Excellency Mr. Abdiatif Yousef

Al-Hamad.

The longuage of the Conference will be -English 7

distinguished speakers. His Excellency Dr. Salim Hoss, Former Prime Minister of Lebanon, Chairman, Compagnie Arabe et Internationale d'Investissements (CAII) His Excellency Dr. Mohammad Imady, Chairman & General Manager, Arab Fund for Economic & Social Development His Excellency Dr. Mohammad Said Nabulsi, Governor, Central Bank of Jordan Mr. Hikmat Sharif Nashashibi, Chief Executive, Al-Mal Group, London Shaikh Sulaiman S. Olayan, Chairman, Olayan Group of

Mr. Abdulla A. Saudi, President & Chief Executive. Al-Hamad, Arab Banking Corporation, Bahrain Minister of Finance & Planning, Kuwait ARAB BANKING & FINANCE IN THE 1980s

Please send for further information to the Conference Administrators, Graham & Trotman Ltd. To: The Conference Department, Graham & Trotman Ltd, Sterling House, 66 Wilton Road London SW1V 1DE

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Companies, Saudi Arabia

GRAMCO G

man, says a number of factors of demand, the group is capable contributed to the more difficult of progress in 1982."

conditions during the second six The construction of a new months following the increase in press hall and installation of a profits from £625,000 to £676,000 in the first half.

This publisher, colour printer 1981 but additional business was and process engraver will pay not booked in advance of coman unchanged final net dividend missioning the press. The result of 3.75p per 25p share—which was an increase in costs and will absorb £234.375. As a result little contribution from the new of the jucrease in the interimfrom 1.5p to 1.7p—the total for period. the year is 5.45p (5.25p). There

in forecasting the outcome of tion which rose from £627,834 to trading activities for the current £964,632 following the heavy year in view of the uncertainty capital expenditure programme as to whether there will be any in the last four years. improvement in the economy. expend.
"Important new contracts £4.72m.

TAXABLE profits of Wat-moughs (Holdings) fell by 11 in all sections of its activities." per cent in 1981 from £1.72m to £1.53m. Mr P. G. Walker, chair-some improvement in the level

second Albert TR4 gravure press was completed in September capacity in the commissioning

There was also a substantial Mr Walker says he is cautious increase of £336,798 in deprecia-Capital expenditure rose from £4.16m to

Mr Walker says trading condi-tions were satisfactory until the final quarter when the level of sales of packaging and periodi-cals fell below expectation.

Turnover rose by 14 per cent from £15.08m to £17.23m. Stated earnings per share fell from 26.88p to 22.05p. Adjustments were made to the 1980 figures for the bonus element of the

rights issue in April 1930.

Tax took more at £147,000 compared with £141,000 leaving attributable profits of £1.38m (£1.58m). Retained profits were lower at £1.05m against £1.24m after £9,000 was transferred from the mortgage redemption reserve account, compared with £3,000 transferred to the account

The CCA pre-tak profit figure was less at fl. Ken compared with fl.18m previously.



SECOND-HALF taxable profits headway was made by most of of Brent Chemicals International moved ahead from £1.31m to £1.8m and pushed the figure for the whole of 1981 to £3.62m. against £2.82m, a rise of 25 per

Sales of this industrial chemicals manufacturer expanded by 51 per cent to £48.56m (£32.14m) and were augmented by 11 months' operations of the two new U.S. businesses. Brent Chemicals Corp. and Uresco Ardrox Inc. After interest charges these companies made a small contribution to profits.

in spite of the recession, the directors state.

They remain confident of long-term growth

Barnings per 10p share are shown as 6.1p (5.1p) at the year end and the dividend is effectively increased to 2.3p (2p) net with a final of 1.7p (1.5p

the group's operating companies. Almost all the overseas operating companies continued their profitable expansion and direct exports from the UK. mainly to the Middle and Far East, were at

The directors say that the companies in Australia, Belgium, Canada, Italy, Singapore and Spain made "outstandingly good progress." International sales. they add, reached their highest level, representing 63 per cent of group total with a significantly increased contribution to profits.

After tax, £1.22m (£856,000), The group's financial position minors, centinues to be strong and (£92.000), and an extraordinary atthough profits for the first two debit of £385,000 (nil)—mainly months of 1982 are below plan, setting up and reorganisation costs of the U.S. companies—the £1.92m, compared with £1.87m.
Dividends will absorb £877.000

Detergents of Discussions have Cheshire. revealed "remarkably little competitive overlap" and directors say the The directors explain that acquisitions would greatly although particularly severe conditions affected most of UK ment in the UK dairy, food and manufacturing industry, modest

On a CCA basis Brent's pre-tax surplus is shown as £2,93m (£2.14m).

#### comment

After 2 stumble last year, Brent again moving forward. Most of the 51 per cent sales growth has come from the two U.S. groups acquired in late 1980. These have more than washed their face, contributing about film of the pre-tax profits: With no volume growth from UK operations, overseas activities now account for about twothirds of the group's sales and profits. The Reddish acquisition, due to be completed next month, should add another 50.5m to UK profits in 1982. Improved per-formance from the U.S. is also expected, indicating that the group should comfortably group should comfortably achieve £5m pre-tax on sales which should hit £60m. Brent's (£763.000), leaving £1.05m which should not zoom. Orents (£1.11m) retained.

Last December the group made an offer to acquire the Reddish acquisition activities will have to slow down for a while. The to slow down for a while. The shares, down 2p to 127p, trade on a fully-taxed prospective p/e of around 20. This seems to be expecting a lot from a group which has been leaning so heavily on purchased growth. The shares have an historic yield of 28 per cent.

### Profit fall still seen by Paterson Zochonis

REPORTING A marginal increase in first half 1981-82 profits, before tax, the directors of Paterson Zochonis, the Cussons soap, Odex hygiene group which also has group which also has large interests in West Africa, tell shareholders that they still consider results for the full year are unlikely to reach last year's record level of £29.51m. This is because of Nigerian trading

conditions. In the first half of the year turnover has gone up from £121.94m to £148.5m but profits show a rise of only £883,000 to £13.12m. The directors state that this result is slightly better than expected while results to date are "broadly in line" with the year's forecast.

Net attributable profits for the year half come through ahead from £5.68m to £6.62m equal to earnings per share of 13.09p

interim dividend is

effectively maintain	ed at 1	.33p-
the total for 1980-	RF was	· 4.33p.
· ·	. ==	- L-12 <sup>-</sup>
•	1981-82	1980-81
_		£000
Turnover	148,504	121,937
Operating profit	13,320	12,033
Exchange loss	. 68.	†323
interest net	2,419	.2,626
Share of associates	2,283	2,502
Profit before tex	13,116	T2.233
Taxation	5.969	
Corpn. tax at 52%	3.025	3.770
Oversess tax	1,917	1.246
Associates' Tax	1.027	1.196
Net profit	7.147	8.021
Minorities	524	341
Attributable	6,623	5.080
	1,042	781
† Profit.		

So far, at least, the impact of has been kept within bounds. hit, with margins on imports versely, a renewed squeeze on squeezed. But the more imports could even prove important manufacturing operations in fridges and detergents shares, which have been sluggish have seen increased volumes.

**BOARD MEETINGS** The following companies days notified The following companies dave notified dates of goard meetings to the Stock Exchange. Such meetings to the Stock that the purpose of considering dividends. Official indications are not available as to whether dividends are interims of finels and the subdividends about below the based mainty on loss constants. year's proclable

Interina: Armstrong Equipment

Maynards, Sirder, James Walker Go ameh and Silverameth. anteh and Silveramith.
Finals: BICC, Bassobett. Church,
Richard Glay, Chillord's Dalries, DRG,
Eagle Ster, Electrolius. Hepworth Coramic, Jones and Shipmen, Laing Properbas, Peery Lane, London and Manchester, J. N. Nichols (Vimto), Prudenbisl, Rockware, Rotork, Slough Estates,
Machane.

Vickers. FUTURE DATES A.B. Electronic Products ..... Mar 31 Adwest Apr 14
Beazer (C. H.) May 30
Bridgort Gundry Mar 27
Ceder Investment Trust Apr 13
Tyrack (W. A.) Apr 2

Higheretz Investment Trust Apr 2
Land Industries Apr 2
Lyle Shipping Apr 2

Elsewhere there has been a recovery in the UK, and prog-gress in Greece, Australia and Kenya. So the Nigerian contribution has fallen from the typical 70 per cent or so of total profits to about 60 per cent. Clearly developments in the oil market are critical for both the Nigerian economy and therefore Paterson's performance. While the general trading arm is vulnerable, the manufacturing operations are better placed, with big increases in capacity coming through shortly. Per-

#### Rising trend continues at BCA why this year should not be a thirds over the first six months. • comment

THE RISING trend noted in profit and turnover at British Car Auction last July has continues; through the first six months. Pre-tax profits have risen by £324.000 to £1.52m for

Turnover was ahead by 25 per cent, including gross proceeds from anctions which rose from 594.72m to £118.38m. Commissions earned were higher at £4.76m (£4.07m) and other sales reached £5.05m (£4.94m).

The interim dividend has been lifted from 1.5p to 1.75p. In the last full year the total payment was 3.5p<sup>3</sup> on pre-tax profits of £2.9m, with gross proceeds from auctions standing at £215.77m.

record one for the group.
Although the rather severe weather had an adverse effect on auction sales. Mr Wickens says that Readygas came into its own the period ending January 31 and enjoyed a very profitable

period of trading.
The Attwood acquisition of the Maybank companies is nearing completion, says Mr Wickens. Tax took more at £800,000 (£670,000). After extraordinary debits this time of £73,000 and minority debits of £18,000 attributable profits emerged higher at

#### £633,000 (£530,000). comment

Though severe winter meant a E2.9m, with gross proceeds from auctions standing at £215.77m.

Mr David Wickens, chairman, good news for the small seasonal is being expanded with a planned pointed out in his last annual butane gas supply concern site in Glasgow and eyes being statement, that the first three Readygas which gave a useful cast around the U.S. for possible of the current year were filip to the midwear figures. The acquisitions. With the shares ahead of the previous compar- second half is expected to see vesterday putting on 14p to 854p able period. He notes that turn- auction units sales, aided by in- for a prospective p/e of around

This, together with a slowly rising contribution from coin the softening Nigerian economy machines, leaves the company on Paterson Zochonis' profits confident of well over £3m pre- has been kept within bounds. tax at year end and looking for General trading has been hard 25m next year. The trend to hit, with margins on imports longer service life and durability squeezed. But the more of cars is being reflected in higher unit values with benefits to commissions. In the long run this trend threatens the rate of throughput but by then the group hopes to have established a footbold in an industry rehence its involvement with gravel extraction, through Maybank, and packaging manufacturer, utilisation of machinery installed with its potential for land reports a pre-tax surplus of in 1979/80 and that they hoped reclamation. Meanwhile the \$815,000 for 1981, up from to be able to improve on last existing base, which includes some valuable edge-of-town sites, is being expanded with a planned to the recession.

over and profits continue to creasing manufacturers' fleet 12, much of the excitement has advance and he sees no reason sales, spurt ahead by some two-been discounted.

### Equity and Law pays 15% more

TOTAL DISTRIBUTABLE sur-went up from £22.26m to £28.02m. evidence. The percentage of life that the value of sales and profits snarenoi tion was £2.74m against £2.23m.

Net investment income on

Of the increase in the share-holders' portion £276,000 arose from increased rates of terminal retirement and vesting bonuses payable from January 1 1981.

comment

plus on the long-term insurance funds of Equity and Law Life ments rose from £107.56m to Assurance Society increased £123.13m. Long-term business from £25.26m to £31.14m in 1981, funds rose by some £115m to the long-term insurance with the description of the long-term insurance from £107.56m to bolders has remained static at about \$8.8. But on earnings up As already reported new past accumulations was necessary annual premiums last year on to top up the dividend increase world-wide business rose from to 15 per cent. The society is f21.5m to f25.1m and single continuing to recover its share Net investment income on shareholders' funds amounted to stareholders' funds amounted to stareholders' funds amounted to stareholders' grofit came out at \$21.5m to £25.1m and single stareholders' grofit came out at \$2.95m (£2.49m). Earnings per 5p share were up from 12.4p to 14.8p.

The dividend is raised by 15 The dividend increase to 527.6m.

Net investments fund single continuing to recover its share premiums went up from £22.1m of the life and pensions market to £27.6m.

Net investments funds amounted to \$21.5m to £25.1m and single continuing to recover its share of the life and pensions market and, unlike 1980, achieved a rise in single premium business. October's launch of five new specialist unit trusts must be a contributing factor, though sales have not been easy. The value of life supple ingressed 10 per cent. The society is continuing to recover its share of the life and pensions market and, unlike 1980, achieved a rise in single premium business. October's launch of five new specialist unit trusts must be a contributing factor, though sales have not been easy. The value of life supple ingressed 10 pensions market and, unlike 1980, achieved a rise in single premium business. October's launch of five new specialist unit trusts must be a contributing factor, though sales have not been easy. The value of life supple in the dividend increase to 15 per cent. The society is continuing to recover its share of the life and pensions market and, unlike 1980, achieved a rise in single premium business. October's launch of five new specialist unit trusts must be a contributing factor, though sales have not been easy. The value of life supple in the dividend increase to 15 per cent. The society is year rose from £88.2m to £94.4m taking investment holdings at the year-end to £1.28bn (£1.16bn).

Mr P. D. Cox, chairman, says that 1981 was a good year and he is confident that 1982 will be share price, which this year has performed as well as any in Annual premium income rose

Annual premium income rose

Last year from £100.72m to Equity and Law's policy of full sults, to 434p, yielding just over £109.64m while single premiums dividend distribution is again in 5 per cent.

Warning by **Utd Ceramic Distributors** 

> ceramic wall and floor tiles and kitchen furniture. In August it reported that first-half 1981 pretax profits had tumbled from £217,046 to £100,452 after demand had taken an unexpected down turn in May and June.
> The directors now say that

> lower demand persisted throughstock levels and overheads.

### Recovery at Finlay Pkg. Profits for the year at the trading level improved to £719,000 from £390,000 on turnover up from £6.39m to £7.36m.

Included in the pre-tax figure is

an interest credit of £96,000

£391,000 at the full rate, up from £126,000 in 1980, net profits

emerge at £424,000 (£303,009),

This gives stated earnings per share of 4.94p (3.53p).

On a current cost accounting basis, pro-tax profits are stated at £655,000, up from £196,000 in

After a heavier tax-charge of

The final dividend is being raised from 1.1p to 1.75p net per 5p share, bringing the total payout for the year to 2.25p (1.5p). Half-year profits increased to

393,000 from £207,000 and in their interim report, the direc-tors said that business lost during the 1980 strike was not retrieved until early in 1981 and then the industry was seriously

EUROPEAN OPTIONS EXCHANGE

Last year's severe down-turn in demand for products distributed by United Ceramic Distributors will have a very depressing effect on its results, the directors warn.

The company is engaged in the. distribution and importation of

#### Progress at Estates and General

DESPITE INTEREST charges increasing from £1.24m to £1.62m, pre-tax profits of Estates and General Investments moved ahead from £317,000 to £914,000 in 1981. This is in line with a projection of not less than £900,000 made earlier this month. Group trading profit was £1.89m against £1.66m, and the surplus on the disposal of investment properties contributed a further £637,000 (£395,000). a further £637,000 (£395,000).
There was a tax charge of
£138,000 (£738,000 credit), and
after minorities of £15,000
at (£9,000), attributable profis
emerged well down at £761,600
as forecast, a second interim
which is a forecast, a second interim
which is a forecast, a second interim
the dividend, in lieu of the final, of
1.15p (1p) is being paid for a
total of 1.75p (1.55p) net.

i ...

#### Riley Leisure to raise £3.19m out the summre although there was some improvement late in the year. Measures were how-ever, taken in 1981 to minimise Riley Leisure, manufacturer home and overseas. The open-of snooker tables, is raising ing or acquisition of further underwritten by Hill Samuel. £3.19m net by way of an under-written rights issue of 3.38m the board has several proposals

written rights issue of 3.38m the board has seve shares on the basis of one at 9Sp for every two held on March 15.

March 15.

The group has reported interim figures to January, showing pre-tax profits of £390,000 (£310,000) on turnover of £4.58m (£4m). The interim dividend is 1.5p (1.25p). The directors say further prospects for the group are encouraging and the foundations are being laid for the expansion, both at home and overses, that should develop overseas, that should develop over the next few years. The board intends at least to

maintain the 2.6p final dividend on the capital as enlarged by the rights issue. The new shares do not rank for the interim dividend.

Riley's share of profits from its associate, Ontario Billiard Supply, is included in the interim results for the first time. The retail china and glass shops were sold during the period and no profit from them is included. The rights issue is being made in the context of the board's confidence in the growth of snooker. It continues to look for further

Order books are high and trading conditions for the manufacturing and servicing divisions remain buoyant. In the furniture industry there is still no sign of a recovery. The games com-pany's turnover and profit for the six months exceeded those for the whole of the previous year. Interest is being shown by overseas buyers and it is hoped ot achieve a worthwhile.

Trading profit in the half year was £461,000 (£371,000) and the was £361,000 (£371,000) and the contribution from the associate was £26,000 (nil). Tax took £168,000 (£125,000), leaving earnings per share of 3,28p

Profits before tax of the snooker manufacture and maintenance division were £182,000 (£34,000), clubs £188,000 (£162,000), furniture £2,000 (£91,000), games £18,000 games £ retail shops (£2,000). (£21,000).

Dealings in the new shares Dealings in the new shares under 19p on the average capit will begin on March 29 and the and the prospective yield 5.3 p opportunities to expand both will begin on March 29 and the and to organically and by acquisition at final date for acceptances is cent.

comment

When Riley came to the stock market in 1977 by reversing into Headcress, more than half its

profits came from furnitumanufacturing. Profits has grown from £0.5m in the ye to July, 1978 to £0.7m last ye despite the collapse of the corribution from furniture. T key, of course, is the rap growth in popularity of snook in the first half of the corre year, the contribution fro anooker, manufacturing and ch anoker, manufacturing and clu operation, is up 88 per cent ever though club performance wi held back by the severe winte weather. Last July's balanc sheet was flattered by uncollecte taxes, and horrowings no stand at about £2m, so the right issue proceeds will provide co siderable scope for expanding the highly profitable club sides well as the leasing of table Although the rights issue is ver heavy, the thinly traded share fell only 8p yesterday to 117 Assuming full year profits of about film, the ex rights properties for the profits of the pr

### 50 companies wound up

Compulsory winding up orders against 50 companies were made by Mr Justice Mervyn Davies in Cantley House Sports the High Court yesterday. They, were: Mazda Price Super

Store, Personal Portfolio Services, Baiveray, G. Cavecchi and Son, Partay Enterprises and Emmsborough, C and C Garton Shopfitters, Dineford, Chatbridge Transport, Tuscanida and Akin

G. C. Calder and Company, Cherie Babe, Trident Com-munications, Wilpworth, H. E. Russell and Michigan Properties: R and D O'Hare, The Union

Henlow Exhaust Centre, Cantley House Sports and Country Club, D.M.M. Containers, Sidcup Builders, Karper Overseas and Able Freight Services. Maidstone Roofing and Con-struction Company, J.S. Cargo

Marketing International, Inster-State Forwarding, Heppenstall and Sons, Ali-Plan Interiors, Stokedon and London Tree Care. Wordyard, Posmark, Swan Wines, Labelhouse, The Hirst Engineering Company (Seven Kings), Dingleworth and Kings), Launove.

Compulsory winding up orders R and D O'Hare, The Union Roofing Company, Adastral Rentals, A. Higgins, B. J. S. Assemblies (Watford) and B and S Exhibitions (Wales).

D.E.C. Engineering, Alan Landesberg, Dakhart, Primary Anodes, Window Films and Consent.

#### **Jove Trust** declines

Gross revenue of Jove Inves ment Trust rose slightly from £1.24m to £1.27m in the year ending February 28 1982 whi net revenue fell from £733,600 i

The second net dividend lieu of the final is being repeated at 2.3p which holds the total at 4.3p. Stated earning per 10p income share fell from 4.51p to 4.35p.

Attributable profits wer down at £615,000 (£539,000 while net assets attributable t income shares were virtually u changed at 51.29p (51.25p) an net assets attributable to capit shares stood at 1.03p (1.43p). Tax took less at £279.00 (£314.000). Minorities took les at £70,000 compared with £94,0004

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joint engine trials with a major overseas manufacturer are in progress using one of the most promising of the additives developed. While there is confidence that

#### **AECI LIMITED** (Incorporated in the Republic of South Africa)

#### **58TH ANNUAL REPORT YEAR ENDED** 31 DECEMBER 1981

CHAIRMAN'S STATEMENT

Once again I am pleased to report that the Group's results showed a substantial improvement over those achieved in the previous year. Turnover for 1981 totalled R1 467.0 million, an increase of R230.7 million (18.7 per cent) over 1980. Export sales included in the above amounted to R65.0 million (1980 — R62.6 million). Net income before taxation for the year at R252.7 million increased by 25.1 per cent over the corresponding figure for 1980. Earnings per share improved from 81.3 cents to 102.2 cents and the ordinary dividend for the year has been increased from

45 cents per share to 55 cents per share. The return on assets calculated on an historic cost basis increased from 17.1 per cent in 1980 to 17.7 per cent in 1981. If current cost accounting principles had been applied these figures would have reduced to 6.7 per cent and 7.1 per cent respectively. Dividend cover calculated in historic terms increased from 1.8 to 1.9 and if current cost accounting principles were to be applied the cover would reduce to I.4 (1980 — 1.3).

AEC! brings to account dividends from investments in locally based companies in the year in which they are received. If "equity accounting" principles had been applied, and the net income from these companies attributable to AECI brought to account in the year in which it was earned, then the AECI earnings per share would increase from 81.3 cents to 88.9 cents for 1980 but reduce from 102.2 cents to 98.0 cents for 1981. This reduction stems largely from the substantially lower profits earned by Triomf Fertilizer

(Pty) Limited during 1981. While the level of economic activity in the Republic continued to improve during 1981, the growth rate, which was significantly lower than in 1980, affected the Group's performance. The volume of Group sales for 1981 or, stated another way, the real growth in the business during the year, showed an increase of 9.4 per cent. While comfortably exceeding the corporate objective of 7 per cent, this was significantly below the 19 per cent growth achieved in 1980. Volume increases were recorded in all major sectors of the Group's business but in each instance the rate of growth was substantially lower. During the first six months of 1981' abnormal production difficulties were experienced on ooth the Modderfontein No. 4 and Umbogingwini ammonia plants and during the second half-year a further serious breakdown occurred on the Umbogintwini plant. A sub-stantial sum has been spent on the Modderfontein No. 4 unit to improve its future reliability and performance. Apart from these

instances, plants in general operated satisfactorily throughout the year.

During the year the polyester filament yarn expansion at South African Nylon Spinners' Beliville plant was completed and brought into operation with a minimum of teething problems. Major projects scheduled for commissioning during 1982 include the linear low density polyethylene plant at Midland Factory, Sasolburg, a new calcium carbide furnace at Ballengeich and the establishment of a third explosives factory at Mogwase in Bophuthatswana. The new polyethylene plant and the carbide furnace are both being financed by means of suspensive sales arrange-ments concluded with a consortium of local banks and part of the finance for the Mogwase project was obtained from the Industrial Development Corporation of South Africa Limited. During the year a safety fuse plant at an estimated capital cost of R25 million, to be erected at Mogwase, was approved by the Board and this plant will also be financed in part by means of a loan from the Industrial Development Corporation. Borrowings as a percentage of shareholders' funds at 31 December 1981 amounted to 30,1 per cent which is below the range set in the corporate objectives. During December 1981 an agreement was concluded with a con-sortium of international banks for a loan of USS100 million, which has a final maturity of 7 years and an average life of approximately

5 years. This loan will be drawn down during 1982 and used for the general financing requirements of the Group.

The long term trend in crude oil prices has become more difficult than ever to predict. The depressed state of Western economies, coupled with progress in energy conservation, has led to forecasts that oil prices will not increase, in real terms, above the present level. Although this may well be the case in the shorter term, it is believed that in the longer term an average real increase of 2 per cent per annum is still likely and, in any event, South Africa's strategic position is such as to suggest that an indigenous source of feedstock and energy is highly desirable. Intensive effort has accordingly continued on development of the Mobil process for conversion of methanol over a zeolite catalyst to ethylene and other hydrocarbons. A pilot plant has been designed and constructed and

will be commissioned shortly.

The use of methanol as a substitute for petrol or diesel fuel, a field in which AECI has established a leading position, has been pursued vigorously. Blends of up to 15 per cent methanol in petrol can now be used with confidence and operation of cars using 100 per cent methanol has continued to be satisfactory. The refinement of additives to permit the use of methanol in an essentially conventional diesel engine has proceeded well.

methanol can be used satisfactorily as a substitute fuel in these various ways, the economics will depend on the policy adopted by Government in regard to alternative fuels. Research into a process for the manufacture of ethanol from agricultural wastes has also been encouraging and it is hoped to reach the stage of pilot plant design by the end of

The demonstration plant for growth of algae from factory effluent has met expectations and the design is now being refined with a view to larger scale operations. High protein animal feed trials based on the algae produced

year of fundamental change and it'is clear that, in the industrial scene, black trade union movements have become a new force to be reckoned with. Perhaps the most con-troversial issue which emerged was that of preservation of pensions. Although the attitude adopted by black trade unions to pension fund preservation was disappointing, to my mind the important lesson to be learned from this unfortunate experience is that people of all races should be consulted as to their needs and aspirations in advance of taking action on their behalf, irrespective of whether or not the action contemplated is perceived to be to their ultimate benefit. in my report last year I referred to the so-called "free market philosophy" and cautioned that this could well result in extremely difficult conditions being experienced in many sectors of South Africa's secondary industry which, notwithstanding the exceptional growth rate achieved in the past, is still small by world standards. believe it would be wrong to create the impression that South African industry is unable to withstand competition but, against the background of the recessionary conditions in Europe and the USA, the nature of much of the competition now being experienced is such that, without adequate protection, large sectors of local industry have little hope of survival. The deterioration in South African financial position over the past year has been marked. The high level of imports together with the sharp fall in the gold price have had the effect of converting a large surplus on the current account of the balance of pay-ments into an equally large deficit. The value

of the Rand has fallen by some 23 per cent against the US dollar and interest rates have risen by more than 80 per cent. To add the additional dimension of high unemployment which would surely result from the closure which would surely result from the dosure of secondary industry in fields such as foot-wear manufacture, plastics conversion, weaving, knitting and garment making would not seem to be wise. The 10 per cent import surcharge recently announced by the Honourable Minister of Finance will provide some relief but this is clearly intended to be an interim fiscal measure. Once again I can only plead that more effective long term measures to protect efficient local industries against disruptive imports be taken by the authorities

as a matter of urgency.
For many years De Beers Industrial Corpora-tion Limited (Débincor) has held approxiror many years De Beers Industrial Corpora-tion Limited (Debincor) has held approxi-mately 40 per cent of the equity capital of. AECI with a similar percentage shareholding being held by Imperial Chemical Industries PLC of the United Kingdom, During October 1981 it was announced that Anglo American Industrial Corporation Limited (Amic), a subsidiary of the Anglo American Corporation of South Africa Limited, had made an offer to acquire the total issue share capital of Debincor. As a result of this transaction, which was concluded in January 1982, Amic which is now the largest industrial group in the Republic, holds a very substantial shareholding in AECI. In view of Amic's wide range of industrial interests this closer

association can only be to the benefit of the AECI Group.
In considering prospects for 1982, the economic factors to which I have referred above are particularly significant and, further more, the recessionary conditions in Europe and the United States do not appear as yet to be abating. The general consensus is that inflation in South Africa will remain at a high level during 1982 and, if account is taken of the continued shortage of skilled manpower, cost pressures during the year are likely to increase. Thus, trading conditions are expected to be unfavourable and profit margins will be difficult to maintain. Profits will also be adversely affected by a substantially higher interest burden which will result, in part, from increased borrowings necessary to finance the capital programme and also from the significantly higher interest rates prevailing and in prospect. Against these adverse factors, the Group's financial position remains sound and, with the capital programme in hand and under consideration, the Group is well placed to take advantage of any acceleration in economic activity as and

when this occurs. Against the background of a further signifi-cant improvement in the Group's overall safety record, it is a matter for considerable regret that 1981 was marred by seven fatalities in the Group, three of which occurred as a result of a gas explosion in the No. 2 ammonia plant at Modderfontein and during February 1982, nine employees lost their lives in the series of explosions which took place in the Explosives Department at Modder-foncein factory. I should like to extend my condolences to their families.

H. F. OPPENHEIMER

Johannesburg 4 March 1982

Men Harvey & Ross Unit Tst. Mingrs. 5. Corpbill, London ECS/ 3PB. 01-629-6314. HR Gift Trust 99.3 98.1 +0.3 12.38

nthony Weler Unit Tst. Alignst. Ltd.

/chway Unit Tst. Mgs. Ltil(a)(c) 57, High Holton, WC1V 7NL 01-831 6233 /cheay Fard. 1114.9 123.6 12.1 6.22 Prics March 18. Next sec. day March 25.

Brsonage Gdrs., Manchester 061-834 2332, dweight Fd. Mar. 23.[105.0 111.6 -0.1 4.50 Arctays Unicom Ltd.(2)(c)(g)

Bring Brothers & Co. Ltd.

Bleige Fund Managers (a)(c)
Ris Hee, King William St., ECA. 01-623 4951.
Auer. Gen. 1 52.0 34.5ml 1.64
Contal Inc. 1 57.1 55.2 43.3
D. Auer. 51.5 55.2 43.3
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id. Nectowery Inc. 158.0 170.0 647
id. Nectowery Inc. 152.2 34.3 115
author Tees, 170.0, 170.0 548/arct 2/344

Effamilia Sp. of Unit Trusts Ltd. (a)(c)(g) Sibbury House, 31, Findbury Circus, London EC2 0-638 0478/0479 or 01-588 2777

rbuthnot Securities Ltd. (a)(c)

Hed Hambro Ltd. (a) (g) (ambro Hse., Hutton, Brentwood, Essentiation (0277) 211459 & 229123

Seen FT UNIT TRUST INFORMATION SERVICE

ton Unit Trust Meat. Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

Amerikan Hd. High Wycombe. 0494 33377

UK Gwith. Tg. Acc. 57.6 61.9 0.4 476

UK Gwith. Tg. Acc. 57.6 61.9 0.4 476

Higher Inc. Tg. Acc. 56.6 62.1 40.4 75

Higher Inc. Tg. Acc. 56.6 62.1 40.4 75

Higher Inc. Tg. Acc. 56.5 53.5 10.5 515

Gits Fro. Lin. Tg. Acc. 56.5 53.5 10.5 515

Nth. America Tg. Acc. 49.5 53.4 10.5 515

Nth. America Tg. Acc. 40.3 43.3 13.4 13.4

General Tg. 94.3 101.4 11.1 478

Bridge Chambers, Barnson, Total Perf. Unit Tst.|23.5

Robert Fraser Trust Mgt. Ltd.

Screet (John)
77 London West, EC2
Stocktolders Merch 5 - [16] 5 177 1
Do. Account Usik 200 5 222 9
St. European March 5, 61.5 64, 94
Next dealing March 19.

Administration (a) (b) (c)

**AUTHORISED TRUSTS** 

invest. Tst.\*

2011 -03 694 1011 -13 1346 1011 -13 1346

mt Ltd.

Japan and Pacific
Do, Acc.
North American
Do, Acc.
Overseas Growth
Do, Acc.
Equity Examps\*

Minster Fund Managers Ltd.

Norwich Union Insurance Group (b) P.O. Bas 4. Norwich, NRI 3NG. 0603 22200 J.C. Bas 5. Find ........[5]4.2 541.3nd +5.0 5.45

Pearl Trust Managers Ltd. (a)(g)(z) 252, High Holbern, WC1V7EB. 01-405 8443 Pearl Growth Fd. 34.0 36.6 +0.2 4.53 Actum Units 45.4 45.4 45.3 4.53 Pearl Int. 40.6 5.8 +0.3 6.63 Pearl Int. 15... 40.6 5.69 (Accum, Units) 71.7 71.1 +0.6 5.69

Prudi. Pertfelle Mages. Ltd. (i 1) (b) (c)

-1.20 0.57-0.67dm -1.20 0.57-0.676ts -2.73 1 45-1.55dts 6 94 7-61; pm -5.92 85-105 dts -1.95 61-84 dts -6 44 1.85-2.03dts

4.53 4'1-4'1 pm -12 01 195-410 des -3 00 140-175 din -21 15 77-87 dis

- 21 13 77-87 018 - 0 83 3's 4's dis - 21.04 32's -36's dis - 0.92 2-1's pm 7 20 7 60-7 30 pm 5.96 36-29's pm 8.33 6's -6's pm

### CURRENCIES, MONEY and GOLD

### \$ and £ retreat

retreated

and Markets

Rothschild Asset Ma

Rowen Unit Trust Magt. (a)
City Gate Haz., Firsbury Sa., EC2. 01-606
American March 18 (%) 106.0 106.0 ...
Scorritics March 19 (%) 67.0 ...
Martin March 19 (%) 67.0 ...
Martin March 17 132.0 139.0 ...
(Acquat Usiks) 186.5 191.5 +10

Save & Presper Group
4, Great S. Heles, London EC3P 3EP
68-73 Queen St., Editburgh EH2 4NX
Deatings to 01-554 8899 or 031-226 7351
International Funds
(April 1948 174 02) 4
Select International 1948 174 02 4
Select International 1975 1362 446, 1
Univ. Growth 1775 1834 0.8 6

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5124 +14 1214 4724 +14 975

38 to 132

635=1..|231

041-2482323 121.7| +1.1| .5.34

Royal Tst. Can. Fd. Mgrs. Ltd. 48-50, Cannon St., London EC4M 61.0 0

Equity Trust Accum...[112.7

SIMCO Money Funds 66, Carnon Street, EC4N 6AE

Scottish Equitable First Highs. Ltd.
28 St. Andrews Sq. Edinburgh (231-556 9101 Income Units 165.5 99.7 + 11 5.11 Acrum. Units 166.6 22.1 + 1.5 5.11 Dealing day Wednesday.

Stewart Unit Tst. Managers Ltd.(a) 45. Charlotte Sq., Edinburgh. (31-226-3271

Swies Life Pen. Tst. Man. Co. Lid.(a)(c) 9.12 Cheupside, London, EC2V 6AL (II-236 384). Surbay bet 1. 223 384. Surbay bet 1. 233 384. Surbay bet 1. 233 384. Surbay bet 1. 233 385. Sur

Tyrobal Managers Ltd.(a)(b)(c)
18. Caryone Road, Brison. 0272 732241
24. Caste St., Enthuryt. 021 25 1148
(Accord Units) 259.8 25.0 +28
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91.-99, New London Rd., Che Barbicon March 18... 97, 9 (Accum, Leba) 19... 176.6 (Accum, Leba) 19... 180.8 (Accum, Leba) 250.7 Fielding Int. Mar. 18. 99 6 (Accum, Leba) 116... 444 (Accum, Leba) 116... 454 (Michigan Starch 18... 454.6

(Accum, Units)..... (Accum, Units)..... (Accum, Units)....

CLEY, United)

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1. Wast lost 324

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TSB Unit Trusts (b) (c) (y)

TSB Unit Trusts (b) (c) (J)
PO Box 3, Keen Hee, Andrew, Hants, SP10 1PG,
1024 62198. Dealings to 1024 634223
TSB American 44.9 48.3 +0.9 2.63
TSB American 44.9 48.3 +0.9 2.63
TSB General 65.6 70.6 +0.8 4.50
Do. Actom. 44.9 48.3 +0.9 2.63
TSB General 65.6 70.6 +0.8 4.50
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Do. Actom. 53.0 89.3 +0.7 7.04
Do. Actom. 106.4 14.5 +0.9 7.04
TSB Pacific 42.5 45.8 -0.1 1.56
Do. Actom. 42.5 45.8 -0.1 1.56
Do. Actom. 127.6 128.7 +1.3 3.20
Do. Actom. 137.8 148.2 +1.5 3.20

Unit Trust Account & Mgmt. Ltd. Resis Hae, King William St. ECAR 9R 01-623 4951 Priars Hss. Fand \_\_\_\_\_ \$7.0 60.7] .......... 4.68

ttish Widows' Fund Manager

with the dollar, advancing in the morning, but showing small mixed changes at the close. The D-mark rose to the top of the EMS for the first time since the devaluation of the Belgian france last month. The French france fell cutride its allowed to the devaluation of the Belgian france and Belgian frances. Both cutrencies continued to weaken, franc last month. The French franc fell outside its alarm bell

index (Bank of England) 114.9
against 115.0 on Monday, and
107.5 six months ago. Three
month Treasury bills 12.44 per
cent (14.38 per cent six months
ago). Annual inflation rate
7.7 per cent (8.4 per cent previous month)—The dollar rose to
FFr 6.2525 from FFr 6.2435
against the French franc, and to
Y245 from Y244.90 against the
yen, but eased to DM 2.3845 from yen, but eased to DM 2.3845 from DM 2.3885 in terms of the D-mark; and to SwFr 1.8960 from SwFr 1.9015 against the Swiss

index 91.2 against 91.5 at noon and in the morning, 91.3 at the and in the morning, 913 at the previous close, and 86.8 six JAPANESE YEN — Trademonths ago. Three-month inter- weighted index 134.7 against bank 137, per cent (151 per 134.6 on Monday, and 139.9 six previous close, and 86.8 six months ago. Three-month interbank 13% per cent (13% per cent six months ago). Annual inflation 11 per cent (12 per cent previous month) — Sterling traded within a narrow range of \$1.8000 to \$1.8055, before closing at \$1.8020-1.8030, a rise of 20 points on the day. The pound inflation 11 per cent (12 per cent form) inflation 11 per cent (12 per cent form) inflation 13 per cent form inflation 13.3 per cent

against index 123.5 against 123.3 on Mon-Continental currencies yesterday day, and 120.2 six months ago. afternoon, after touching further Three-month interbank 9.575 per records against some of the reaker members of the European cent (12.20 per cent six months weaker members of the European Monetary System earlier in the day. An easier trend in European dollar rates and the level of Federal funds eventually depressed the U.S. unit, which finished little changed on the day. Sterling tended to move in line sterling was fixed at DM 4.3170. official intervention probably reflected fears that hoosting the

FRENCH FRANC - EMS member (weakest). Tradefranc ten divergence limit, and and divergence limit, and and the Belgian franc required support against the D-mark and Dutch guilder.

DOLLAR — Trade-weighted index (Bank of England) 114.9 ago). Annual inflation 13.9 per cent (14 per cent previous month)—The Bank of France mave further support to the may further support to the nave further support to the French france in Paris as the D-mark rose to its maximum permitted level of FFr 26205 from FFr 2.6146 at the fixing, and the Dutch audder remained at its ceiling of FFr 2.3706. The franc improved slightly against the Belgian franc and Danish krone, but remained the weakest member of the EMS. The dollar SwFr 19015 against the Swiss fixed at a record level of franc.

STERLING — Trade-weighted index 91.2 against 91.5 at noon and in the marring 91.3 at the

months ago. Three-month bills 6.50125 per cent (7.40625 per cent from SwFr 3.4250.

D-MARK — EMS member Monday. Tokyo was closed on (strengest). Trade - weighted Monday for a public holiday.

EMS EUROPEAN CURRENCY UNIT RATES

+0.87

45.2360 8.15332 2.39768 6.26283 2.65052

1.8020-1.8036 0.13-0.23c da 2.1960-2.2010 4.741-4.781-80.90-81.60 14.63-14.69 

THE DOLLAR SPOT AND FORWARD 1.8000-1.9055 1.8020-1.8030 0.13.0.23c dis.
1.4515-1.4570 1.4540-1.4550 0.87-0.57c pm
1.2185-1.2205 1.2205-1.2205 0.12-0.16c dis.
2.6360-2.6500 2.630-2.6390 1.67-1.57c pm
44.94-45.20 44.94-496 10-20c dis.
2.8110-2.3890 2.3890-2.3850 1.25-1.20pf pm
70.50-70.80 70.60-70.80 105.04 105.70 105.40-105.70 105.40-105.70 105.40-105.70 105.64-105

THE POUND SPOT AND FORWARD

30-50c dis 1°-2°eore dis 0.60-0.73p dis 1°-1°ept pm 65-190c des 36-60c des 38-45 lire des 1°-1°eore pm 2 80-2 50p pm 16'-13'eore pm 16'-13'eore pm

CURRENCY MOVEMENTS **CURRENCY RATES** Bank Special European rate Drawing Currency Rights Units Stering.
U.S. dollar.
Canadian dollar.
Austrian schilling.
Beigian franc.
Danish kroner.
Deutsche mark.
Swist franc.
Guider
French franc
Lira.
Yen. 

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100). OTHER CURRENCIES

Mar. 23	£			<i>:</i> Note Rates
Argentina Peso Australia Dollar Brazil Cruzelro Finland Markks	1.7075 1.7095 262,02 263,02 8,265-8,275	0,9470 0,9475 145,28 146,01 4,5900-4,5930	Belgium	30,20 30,50 90% 92% 14,60 14,74 11,25 11,35
Greek Drachma., Hong Kong Dollar Iran Rial Kuwait Dinar (KD)	10.49 10.501: 147.40 0.511 0.517	5.8190 5.8240 81.70* 0.2851.0.2853	italy Japan Notherlands	4.29% 4.33%, 2535 2385 443 448 4.74% 4.78%
Luxembourg Fr., Malaysia Dollar New Zealand Dir, Saud: Arab, Riyal	4,2025 4,2125 2,3285-2,3325 6,13-6,19	44.94 44.96 2.3310.2,5330 1,2905.1,2920 3,4200.3,4220 2.1230 2.1250	Spain	10.87 10.97 125-130 184-; 1951: 10.54-10.64 3.413: 3.453;
Singapore Dollar, Sth. African Rand U.A.E. Dirham	1,8720 1,8735	1,0385.1,0395 3,6715-3,6735	Switzerland United States Yugoslavia	

In Paris the 124 kilo gold bar was fixed at FFr 67,500 per kilo

(\$334.62 per ounce) in the after-

noon, compared with FFr 67,000 (\$332.23) in the morning, and FFr 66,000 (\$331.70) Monday

In Frankfurt the 124 kilo bar was fixed at DM 25,250 per kilo (\$327.48 per ounce), against DM 24,655 (\$321.00), and closed

Gold Builion (fine ounce:

£1821-183: \$321.322 £178-17819: £3181-3191-£181-294: \$318.50 £182-481: \$320.80

Coins (£188, 1851) | \$551-35134 | (£9654, 9714) | \$1701, 17114 | (£94914, 50) | \$3654-873 | (£20, 2014) | \$3514-3614 | (£7414, 444) | \$352-365 | (£7414, 444) | \$352-365 | (£7414, 450) | \$358-365 | (£7414, 50) | \$78.88 | \$9.90 | (£74734, 17914) | \$2514-534 | \$39.90 | (£74734, 17914) | \$31112-314 | (£24712-25014) | \$446-451

#### week currency. Adjustment calculated by Financial Time

44,6963 8,18382 2,41815 6,19564 2,67296

Beigish Franc ...
Danish Krono ...
German D-Mark
Franch Franc ...
Dutch Guilder ...
Insh Punt . ....

EXCHANGE C	ROSS RA	TES								
Mar. 23	Pound St rling	U.S. Dollar	Dautschem's	Japan'se Yen	French Franc	\$wiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Fran
Pound Sterling	1	1.803	4,300	441.5	11,265	3,420	4,755	2355.	2,199	81.08
U.S. Dollar	0,555	I.	2,386	: 244.9	6,250	1,897	2,638	1507.	1,230	44.98
Deuts hemark	0,233	0.419	9.740	102.7	2,520	5.795	2,106	847.7	0,511	18.85
Japanese Yan 1,000	2,265	4.083		1000,	25,52	7.746	10,77	5334.	4,981	185,6
French Franc 10 Swiss Franc .	0.888	1,600 0,527	3.817 1.257	391,9 129,1	10. 3.294	3.036	4.221 1.390	2091. 688.6	1.952 0.643	71,97 23,71
Dutch Guilder	0,210	0.379	0.904	92.85	2.369	0.719	1.	495.3	0.462	17,05
Italian Lira 1,000	0.425	0.765	1.826	187,5	4.783	1.452	2.019	1000.	0.934	34,43
Canadian Dollar	0.455	0,820	1.955	200.8	5.123	1,555	2,162	1071.	1,	56,87
Belgian Franc 100	1.233	8,833	5,304	544.6	13,89	4,218	5,865	2905.	2,712	100,

#### FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 23)

	5 months U.S. Dollars bld 14 7/8 offer 15	6 months U.S. dollars bid 14 J5:16 offer 15 1:16	The fixing rates are the arithmetic means, rounded to the negreet one-skiteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Sank, Bank of Tokyo, Deutsche Bank, Banque Nationals de Paris and Morgan Gueranty Trust.
1	EURO-CURRENCY IN	TEREST RATES (Market c	closing Rates)

Sterling Mar. 23	U.S. Dollar	Canadian Dollar	Dutch Gulider	Swiss Franc	West German Mark	French Franc	italian Lira	Beigian Franc	Japanese Yen
Short term	141: 143g 143: 143: 143: 147g 143: 15 143: 15 143: 15 145: 147;	16:17 16:17 15:4:16:4 16:16:5 16:16:4 16: <sub>9</sub> :16: <sub>2</sub>	112.214 2.5 673.7 713.712 873.84 872.83	3g 114 83g-9 55g-5*g 55g-5:ig 6::4-6:s 6:g-6:4	83g.834 8j.k.9j.2 9 9 1 9 9 1 9 9 1 9 9 1 <sub>g</sub>	35.45 30.40 321 <sub>2</sub> .351 <sub>2</sub> 25.29 21.23 191 <sub>2</sub> .201 <sub>2</sub>	40-50 43-55 52-351 26's 285s 24's 251s 23's 24's	91:-1112 141:-2013 17:8 205n 175: 19 16:n:175s 15:1:-16:12	6:4-6:2 6:2-6:2 6:1-6:2 6:2-6:2 6:2-6:4 6:2-6:4

BFr (financial): short-term 10½-11½ per cent; seven days' notice 12½-13½ per cent, one-month 13½-13½ per cent; three months 14½-15½ per cent; are months 14½-15½ per cent; are months 13½-13½ per cent; one-year 13-13½ per cent ECU linked deposits one-month 15½-15½ per cent; inner months 14½-15 per cent; are months 13½-14½ per cent; one-year 13½-13½ per cent Asian \$ (closing rates in \$(ntapore): one-month 14½-13½ per cent; three months 14½-15½ per cent; six months 14½-15½ per cent; one-year 14½-15½ per cent. one-year 14½-15½

GOLD

Firmer

trend

#### **MONEY MARKETS**

#### UK rates ease

London clearing bank base lending rate 13 per cent (since March 12)

Interest rates tended to ease in London yesterday, helped to some extent by a softer trend in U.S. rates. Three-month interbank money fell to 13\frac{1}{2}\frac{1}{2}\text{ per cent} and six-month sterling CDs were quoted at 13\frac{1}{2}\frac{1}{2}\text{ per cent} down from 13\frac{1}{2}\text{ per cent}

per cent.
The Bank of England gave a forecast of a shortage of £350m on seven-day Treasury bills to in the money market with bills 20 per cent from 18 per cent in maturing in official hands a continued attempt to support accounting for £150m and bills the French frame. Call money remained at 17 per cent for repurchase by the market a remained at 17 per cent further £219m. Exchequer transfurther £219m. Exchequer transactions were estimated at -£50m while a fall in the note circulation added £70m. The Bank gave tion added £70m. The Bank gave assistance in the morning of £244m, comprising purchases of £38m of eligible bank bills in band 1 (up to 14 days) at 13½ per cent, £65m in band 2 [15-

MONEY RATES YEW YORK Prime rate (unch-time) 18%-16%
Feck funds (funch-time) 13%-16%
Treasury bills (13-week) 12.46
Treasury bills (26-week) 12.56 GERMANY | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.0 JAPAN 

33 days) at 13 per cent and £58m in band 3 (3463 days) at 12; per cent. In band 4 (6491 days) it bought flm of local authority bills and £52m of eligible bank bills all at 12; per Gold rose \$8 to \$329-330 in the London bullion market yesterday. It opened at the day's low of \$321-322, and was fixed at 5237.48 per ounce), against DM 24.655 (\$321.00), and closed at \$327.30 in the morning, and \$329\_3.30 in the afternoon. The metal touched a peak of \$330-331.

In Paris the Bank of France

increased the rate of discount on seven day Treasury bills to

continued intervention in the In Frankfurt call money was Bundesbank. However demand unchanged at 9.55 per cent desputch central bank to support the French franc and this has DM 5.5bn forming the latest reserve requirements.

The second secon

Mar. 23 1982	Carinicate of deposit		Logsi Authority deposits	Local Auth. negotiable bonds		Company Deposits	Market Deposits	Treasury Blifs #		Fine Trade Silla (
vernight		1212-15	1312-1334	; ;		133, 137,	13-134			
days notice		-	13če	; }	_	·	-	-	1 – .	-
days or			. <del>.</del>	; ;	_	i		_	( <del>-</del> !	
days notice	·	13% 13%	135c		4	1375-14	13-1318		' <del></del>	_
ne month		1849-134	7.35 <sub>8</sub>	144-14	134	14	13	1315/1	132-131,	137
wo months		158-15-	47-	1416-1578	1616	14	123		183 121	15-1
hree months.		131-135	13te	14-135	181	15%	124-1212	1212	124 124	133
x months		133-1312	1312	1318-127g 1358-1314	131 <u>è</u> 131 <sub>è</sub>	-		_	125-125	15 1
ine months			13%	154-154	1312	~ ,		_	i — i	_
ПО УОВГ	1914-1918	1946-194	154	194-194	19.5		· – .	_	· - ;	_
WD YORTS			494			<u> </u>			1	_

increased market liquidity.

table are buying rates for prime paper. Buying rate for rour-month bank bills  $12^{1}_{20}-12^{1}_{20}$  per cent; four months trade bills  $13^{1}_{20}$  per cent. Some months are selling rates for one-month Treasury bills  $12^{1}_{20}-13$  per cent; two months  $12^{1}_{20}-12^{2}_{20}$  per cent; three months  $12^{1}_{20}$  per cent, Approximate selling rate for one-month bank bills  $13^{1}_{20}$  per cent; two months  $12^{1}_{20}$  per cent; and three months  $12^{1}_{20}$  per cent; one-month rade bills  $13^{1}_{20}$  per cent; three months  $13^{1}_{20}$  per cent; three months  $13^{1}_{20}$  per cent. Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from March 1 1982. Cleaning Bank Deposit Rates for sums at seven days' notice  $10^{1}_{20}-10^{1}_{20}$  per cent. Clearing Bank Rates for landing 13 per cent. Treasury Bills: Average tender rates of discount 12 4831 per cent.

Contilicates of Tax Deposits (Series 5)  $13^{1}_{20}$  per cent from March 8. Deposits withdrawn for cash 11 per cent.

March 24 1982

Luck'inn Fd. March 18, 193.1 According March 17, 52,0 Acc. thesi March 17, 70,8 Marshort Fd. Mar 23, 74.2 According March 23, 74.2 According March 23, 74.2 State Christ March 18, 1882 23, 74.2

he British Life Office Ltd (a)

Frown Shipley & Co. Ltd. (a)(g)

15, 10. 0892 22271 753 +0.4 546 45.1 -0.3 8.74 teulion March 31.

Canada Life Unit Trust Mingrs. Ltd. 26 High St., Potters Bar, Herts. P. Bar 5

Carr, Schag Unit Trust Managers(a)
57/63, Princes St., Manchester 061-236 5685
Carr, Setag Cap. Fd., 182.4 65.24 +0.1 2.01
Carr, Schag Ire, Fd., 132.3 33.24 +0.2 R.22
Carr Schag Far East n. 22.5 23.7 -0.1 1.91

Charinco Charities N/R Fundi: 15. Moorgale, London, EC2. 01-638-4121 Income Feb 26. 117-56 Do Acquir. Feb 28. 20.15

Charities Official Invest. Fundit:
77 London Wall, EC2N 108. 01-588 1815
Income Feb. 28. 164 34. ...... 7.36
Actum, Feb. 28. 407.22 ...... 7.36

Investment Bank of Ireland (a)
Prenter UT Admir, 5 Rayleigh Road, Hyston,
Brentwood, Essex. 149.5 53.2 +0.7 3.54
Prices March 17. Next sub. day March 24. 

12 01.584111 214 +07 2.90 214 +02 1.90 214 +02 1.90 124 +03 1.90 524 +03 1.80 514 +03 4.80 114 +04 4.80

120.2 +26 97.0 +11 27.1 2 ----81.9 +0.4 91.0 ----107.3 -0.7

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#### EEC TRADEMARK LAW

### The perils of harmony

By A. H. Hermann, Legal Correspondent

March 24, 1982

#### Die Erste österreichische Spar-Casse First Austrian Bank

This advertisement complies with the requirements of the Council of The Stock Exchange.

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U.S.\$ 40,000;000 Subordinated Floating Rate Notes Due 1992

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The following have agreed to subscribe or procure subscribers for the Notes:

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NATIONAL BANK OF CANADA

U.S. \$50.000.000

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The Notes constituting the Issue have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the Notes. Interest is pavable semi-annually in arrears in October and April in each year. The first interest

Full particulars of the Issuer and the Notes are available in the Extel Statistical Service and may be obtained during business hours up to and including April 6, 1982 from:-

> Orion Royal Bank Limited, I London Wall, London EC2Y 5]X

payment date is expected to be October 15, 1982.

12 Tokenhouse Yard,



COCA-COLA is a trademark

vhich secures a world market

concentrated on a single name,

for everybody. Distillers, for

another brown liquid under a

variety of trademarks, and their usefulness goes beyond the

identification of differences in

the taste for Black and White.

Johnnie Walker, White Horse

and 47 other brands. They also

enable a better exploitation of

different price levels, both

within one country and in

The protection of national

be obtained is particularly important for the pharma-

industry

because of direct or indirect

price control, or absence of

patent protection, is obliged to

sell at low prices in other countries. Trademarks licensed

to the local sole distributors of

where high prices can

several countries.

under national irademark laws were in the past often used as a barrier against imports of identically branded goods sold by the manufacturer on another national market at a lower

The EEC Commission has been waging a long and successful war against such trademarkassisted compartmentalisation of the Common Market. It has received powerful support from the European Court.

But the Commission is not satisfied. It wants to consolidate and extend its achievements by harmonising European trademark law and by creating a Community trademark. The Commission has some good arguments for this, but the projeet has many weaknesses,

law harmonisation, the creation under another trademark. of a Community trademark, and the establishment of a Community Trademark Office, has now reached the Council of Ministers. After some six years of hesitant progress in the corridors of the Commission, it is now believed to be in the final furlong. In Community terms this may mean a decision in a year's time.

The establishment of a Com-munity trademark office in their competitors. for a fizzy brown liquid. It London is the most easily is probably the best known visualised part of the project. example of the advantages that The London patent agents want can be gained from promotion it; the Greater London Council wants it: the British Governbut it is not a method suitable ment wants it. It would be the first EEC institution located in example, successfully market the UK.

The examination system pro-posed for the Community trademark by the Commission could probably be better handled in London than anywhere else because it is similar to the UK system. A more subtle argument for Lundon is the need to increase the British sense of belonging to the Community.

In short, it would be nice to have the Community Trademark Office in London provided that such an office would be a useful institution. This, however, is by no means certain.

It is difficult enough to find a suitable name which is not already used in a single country.

It would be many times more difficult to find trademarks which are acceptable, free, and commercially effective, in all the countries and language areas of the Community Even the most enthusiastic propo-nents of the Community Trademark concede that the number of registrations at the Commu-nity Trademark Office would be relatively small and that they could be achieved only by a lengthy and costly process.

The price exacted for the relatively few Community trademarks is a dangerous surgical operation aiming at an automatic removal of all multiple brands of one and the same product. The European Court ruled, in the American Home Products case, that two different trademarks must not be used for the same, or similar, product with the sole purpose of separating the national markets, or at least they must not be used to stop the parallel importer. The Commission's pro-ject would go much further. It would lead to an automatic invalidation of trademarks if the protected goods were mar-The EEC plan for trademark keted in another member state

> Such surgery would have painful side effects. First, neither of two trademarks may be suitable in any two countries. and the manufacturer might be obliged to give up both and to undertake the expensive promo-Second, the trademarks which abandon under this rule, could

their competitors. There exist basically three

types of trademark protection: one protects rights acquired by using a trademark or name over a period of time. This is achieved by the common law " passing-off " action — which is aimed at people who try to "pass-off" one product as another — and to a lesser degree also by the "unfair competition" legislation of the coptinental countries. The second registers trademarks without preceding examination - such is the French system of marque deposée. Other continental systems are close to the French. The third system, used in the UK and Eire, makes registration dependent on examination by

the trademark office - and

registration is, therefore, much

harder to get,

The Community trademark would be based on the examina-tion system, like the UK trade-But some British companies believe that not only should the French system be adopted for the Community trademark, but that Britain should have used this opportunity to give up examinations in its national system. The critics of the present UK system argue that the examination is arbitrary, costly, time-consuming, and, in view of the protection given to unregistered trademarks under common law, provides no certainty.

If Britain gave up the examination system, it argued, this would open up the possibility of joining the Madrid agreement which all the other member countries of the EEC have been successfully using for over 100 years. Under this agreement one application lodged with the national registry may be extended to a further 23 countries.

Another point of criticism concerns the definition of the

concerns the definition of the



trademark rights in Article 3 of the proposed EEC directive. A trademark owner could oppose the use of signs which create a serious likelihood of confusion on the part of the public. This may lead to a serious weakening of his position if a competitor used an identical or trademark law.

similar trademark for identica goods but without creating "serious likelihood" of col fusion immediately, but on! later after the owner of th original trademark had lost th chance to defend it.

is caused by the "acquiescence" clauses of both the draft diretive and draft regulation. Thes clauses deprive a proprietor ( trademarks or other exclusiv rights from applying fo



invalidation of a "confusing" national or Community tradmark if he has suffered its us in one member state for thre years in succession. This in i deprive a trader of defens against a similar, or confusin, trademark only because it ha been used previously in another EEC country where he eithe had no right-or commercia reason—to object. The draft regulation pis

owners of common law trad-mark rights at 2 great di-advantage. Their owners would have to wait until the Cotmunity trademark is registerd and then apply for cancelltion. By that time a lot t damage could have been don, No such disadvantage would t suffered in countries whee registration can be more easiv obtained than in the UK. a general, the position of commo law trademarks, now protected by the "passing-off" actio. would become highly questioable. The directive says tht member states may continue o protect trademarks acquire through use, but also exclude the application to trademats of other rules of law of te member states, such as the povisions relating to competition.

Even without such contadictions, both the directive ad the regulation provide vst opportunities for the Comrission and the European Courtto escalate the impact of thise measures. Before they re adopted they should be studed once more for what they really are and to what transformation by case law in the Europen Court they lend themselves, Perhaps a way can be found to have the Community Trademrk Office without dangerous tinkering with he

Our cabin crew have always been to smilingly attentive. Yet unobtrusive with a Malaysian chairn all their own. And the food we've been serving would do a Cordon Bleu chef projed. But then we wanted to give you, more. So, we are changing our planes.

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March 24 1382

### New Zealand note issue increased as prices gain

BY ALAN PRIEDMAN

particularly strong and six-lead manager. the placing of the six-year month Eurodollar deposit rates fell a point to 142 per cent. Also had a good day yesterday. cent. Like other new Japanese New Zeefand's \$250m five-year liso had a good day yesterlay. Prices were up by around floating rate frote issue was a for a point as short-term increased to \$350m on the back interest rates continued to move of strong demand. The paper, downwards. The market's of strong demand. The paper, managed by Kidder Peabody, interest-rate optimism is not in 1986 at 1041, providing a bears a spread of 1 of a point above six-month London interbank offered rate (Libor)) and the increase shows the way out for the Oesterreichische can expect Venezuela to offer the Oesterreichische floaters are appealing to an in- Kontrollbank a day earlier than

the U.S. consumer price index Utilities—sold out yesterday and rose by 0.2 per cent in February. was priced ahead of schedule at privately for Tokyo Style, the Investor interest from 16 per cent and 994. Credit clothing maker. Swiss Bank Switzerland was reported to be Suisse First Boston (CSFB) is Corporation (SBC) is arranging

creasingly broad range of expected. The coupon is 9½ per cent, reflecting the buoyant on offer for Duke Power, the U.S. utility. The indicated through Deutsche Bank.

PRICES OF fixed-interest Euro- coupon is 15½ per cent and the In the Swiss franc foreign dollar bonds gained nearly a bonds are callable in 1987 at bond market prices were unfined point on average yesterday in 101½, declining by a ½ per cent changed yesterday in moderate moderate to active trading annually. Lead manager is trading. The six-month Euro Dealers attributed the firm Morgan Stanley.

Morgan Stanley. Swiss franc deposit rate gained market to a stronger New York

This week's other utility 1 of a point to close at 6 is market to a stronger New York This week's other utility is of a point to close at 65 bond market and the news that Eurobond offer—Gulf States A SwFr 60m Japanese convertible bond is being placed

convertible offers, this one provides a redemption option for the investor as a sweetener. The market's These bonds may be redeemed

several dollar issues. CSFB said last night it had a mandate to launch \$100m of straight paper. while Venezuela may also sell floaters and Yankee bonds through other lead managers.

### EBC profits advance to £3m

BY WILLIAM HALL, BANKING CORRESPONDENT

EUROPEAN BANKING Com- note issue due in 1988. pany (EBC), the London mer-chant bank owned by seven significantly improved the European increased its pre-tax profits by vulnerability to fluctuations in 9 per cent to £3,02m (\$5.44) in the dollar/sterling exchange 1981, and increased its balance rate, given that the bulk of its sheet by 27 per cent to £458.6m. EBC's profits are struck after the establishment of a general sterling. provision for future loan losses. The tax charge has fallen sharply with the result that attributable profits are 91 per cent higher at £2.89m. The bank is paying an unchanged divi-dend and £2.39m of retained Lending margins profits have boosted share-holders funds to £24.49m.

During the year, the bank income did not rise propor-increased its capital by the tionately with the increase in private placement with Swiss loan assets.

Rankverein, Deutsche Bank, non-institutional investors, of a Securities operations contri-Midland Bank, Societe Generale.

\$15m subordinated floating rate buted more to profits than in de Banque and Societe Generale.

banks, bank's ratios and reduced its revenues are in dollars and its accounts are reported in

> The bank says it had a "highly satisfactory experience" in foreign exchange and money market operations, and its income from corporate finance Lending margins deteriorated

that the "general level of profit-ability in Eurobood activities remains disappointing."
EBC was responsible for the lead management of 13 syndicated loans totalling \$2.17bn in

1981, and managed or co-managed 29 capital market

issues totalling \$2.03bn. Medium-term loans rose by 49 per cent to £181.5m and now account for 72.7 per cent of total loans and advances. EBC says thaat 15 per cent of its portfolio consists of project

lending. further during the year, how-ever, and interest differential and is owned by Amsterdam-income did not rise propor-Rotterdam Bank, Banca Commerciale Italiana, Creditanstalt-

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday April 15. Closing prices on March 23 will be published next on Thursday April 15.

U.S. DOLLAR				Change on
STRAIGHTS	leaund	Rid	Offer	day week Yisid -01, 0, 75.48 +02, +04, 15.31 -04, 0, 15.27
. Anhouser-Rusch 164-88	100.	103	104	-01 . D. 15.48
APS Fin. Co. 174 86	<u>60</u>	1051	108	+0% +0% 15.31
APS Fin. Co. 174 86 APS Fin. Co. 184 89	75	1037	104%	-01 0 15.27
Armoo O/S Fin. 153 86 Australian Ind. 154 87	50	100%	100%	+0% +1% 10.15
Australian Ind. 151- 87	25	199	991,	+01 +01 15.71
. Baker Int. Fin. 0.0 92,	225	24 2	25	+02 +02 16.02
Bank Montreal 16% 91	150	103%	1043	+01/2 +01/2 15.40
Br. Colum Hyd. 1674 88	100	1031	103%	+0" 0 15.30
Br. Colum: Mfa. 17 97	54	1037	1033	+01. D 16.31
Burroughs Int. 154 88	50	1017-	1013	0 +01 15.38
Canadair 15 2 87	150	100	101	+01, +01, 15.27
· Can. Nat. Rail. 14% 91	100	971	37%	+01, +01, 15.09
Carolina Power 1812 89	60	1025	1037	+04 +04 15.76
Caterpillar Fin. 16'2 86	100	105 8	1031.	-01 -01 15.37
	100	1015	1021	-04 0 16.35
CFMP 16% 96	100	1047-	1053	+04 +04 15.62
CIBC 16% 91	100	1033	1027.	+04 +04 15.20
CIBC 19 87	150	404	2043.	+01. +03 15.22.
Citicorp 0/S 154 86	60	1000	1023	+04 +04 15.22
Cons. Bathurst 17 88	100	1057	102	+02 +0% 15.07
Con. Illinois 15% 89	400	601.	100	-0- +0- 14.45
Dupont O/S 142-88	300	241.	241	0 -0 14.49
Dupont O/S Cap. 0.0 90	100	1041	MEL.	+04 +04 15.67
EIB 154, 91	400	265	27L	-00- 14.65
Gan. Elec. Credit 0.0 92		207	223	+01, -01, 15.82
Gen. Elec. Credit 0.0 93	400	237	4042.	0 -0- 15.74
GMAC O/S Fin. 167, 84	300	101	1017	+04, +07, 15.73
GMAC 0/8 Fin. 16 88	150	1003	267	0 +07 15.08
Guif Oil Fin. 0.0 92	300	400	207	+01, +01, 15.06
Gulf States 0/5 172 88	<b>₽</b> 0	7047	1047	THE TAN SECTO
Japan Airlines 15% 88	50			+01, +01, 14.95
Japan Dav. Bk. 15- 87	50			~04 +05 14.90
Nat. Bk. Canada 16-2 88	40	100%	100'	~04 ~04.16.38
Nat. West 14% 81	100	387	20.5	+04 +04 14.89 +04 +1 14.92
New Brunswick 17 88	<u>60</u>	70/%	1004	TUN TI 14.32
New Brunswick 164, 89	75	7027	1037	+04, +04, 15.53
New & Lab. Hy. 174, 89	75	104.5	100	10, 10, 16.06
Ohio Edison Fin. 1712 88	75	105%	JASA.	0 -04 16.03
OKG 15% 87 Ontario Hyd. 16 91 (N)	50			+03 +04 15.83
Ontario Hyd. 16 91 (N)	200		1044	+04 0 75.13
Pec. Gas & El. 15% 89	80	10372		~05 +05 14.80
J. C. Panney Gl. 0.0 94	350 150	4477	, 20	0 0 18.70 +0% +0% 15.53
Quebec Hydro 174 19	150	10/4	1004	0 +04 15.40
Quebac Prov. 151 89	400	30'6	257	0 -13, 15.74
R.J. Rynids. 0/S 0.0 92	100			
Saskatchewan 164 88	125	100%	1023	+04 +04 15.34
Sasketchewan 16 89	50 ·			+04 +04 15.89
Stateloretag 154 87	750			
Sweden 1412 88		95%		+04 +04 15.45
Swed. Ex. Cred. 16 2 93	万 .	1017	HUZY	+04 +05 16.06
Texas Eastern 157, 88	75 400	ID14	ent ent	+02 +07 15.45
Transcanada 16 89	100 .	IUU'z	101 400	0 +0% 15.77
Winnipag 17 88 WMC Fin 162 88	6D			
WMC Fig. 10/2 88	50	3/3	202	+04 +1 15.85
World Bank 16 38	130	TUS/9	NUSE'S	+05, -05, 15.08
World Bank 1612 88	100			+04 -04 15.38
World Bank 151, 88	_250 <u></u>			+03 +03 15.23
Average price chang	45 U	r csy	TUN	OII MOSK TVI

World Bank 15% 88 250	99% 100% +0% +0% 15.23
Average price changes	On day +0% on week +0%
	<u>.</u>
DEUTSCHE MARK STRAIGHTS Issue	Change on
STRAIGHTS Issue	d Bld Offer day week Yield
Australia 95 91 300	101 1012 +02 +13 9.76
Australia 9% 91 200	
Balgalactric 11 91 100	1034 1044 +04 +14 10.34
Comp. Tel. Esp. 101, 92 100	987, 994, ~04, -05, 10.66
Denmark 10 88 100	
Denmark 104 92 100	101 1014 +03 +03 9.94
EEC 10 93 100	1023 1034 +05 +14 9.67
EEC 94 94	1007, 1011, -01, -01, 2.60
EIB 94 88 60	
Inter-American 10% St 100	
ireland 10°z 86 100	1001 1011 +01 +05 9.82
Mexico 11 88 100	1003 1014 . 0 +02 10.78
	1013 1023 +04 +7 10.19
	991 994 +04 +05 11.09
	1021 103 +01 +07 9.44
OKB 104 91 150	1034 1045 +1 +4 8.97
OKB 94 85 150	
Quebec 104, 92 150	
Dashec Hydro 104 91 150	7002, 1011, 9,73
Tagernautobahn 97, 94 50	700 1014 2170
Venezuele 11- 91 100	1003, 1014, +02, +04, 11.30
World Bank 10 91 250	1033, 1041, +04, +04, 9.38
Average price changes	On day +0's on week +0's
_ '	Change on
SWISS FRANC	winnings on
STRAIGHTS Issue	d Bid Offer day week Yield 102 10214 -014 +012 7-19
Ansett Transport 712 92 50	107 1024 <b>~4</b> 4 TV3 7-13
Asian Day Rank 2 90 80	1034 1034 +04 +05 7.44
Annual 10 mg mg 500	44M2L TIPRE - D4. U . 6233.

Tauemautobahn 97, 94	50	700%	1014	_	<del>-</del>	9,73
Venezuela 11 91	100	100%	101%	ተሜ	+0*	11.30
Winds n	3EN	2023	mu.	+04	+04	9.38
. Average price chang	ses (	On day	+04	OR W	sek 🕈	0.
•	•			••		
SWISS FRANC				Char	38 OU	٠
STRAIGHTS	issued	i Bid	Oller	day 1	Neek	Yield
Ansett Transport 74 92	50	102	102%	~~~	TVZ	/- IO
Asian Dev. Bank 8 90	80	1031	1037	+03	+0.	7.44
Australia 6% 93	100	11037	TU3			-0-33
Velgelectric 712 91	80	10032	T00%	-04	+02	7.40
Bell Canada 74 93	100	105½	105-5	-034	ŤΨ	6.57
Set. de Autopistes 6 90	50	100%	700	-04	10.	7.20
Co-op. Denmark 8 92	25	10212	102%	0		7.58
Denmark 74 91	100	100%	100%	+0,4	+13	7.21
EIB 74 92	T00	1012	1017	0	+0%	7.01
Elet. de France 7 92	100	1012	101%	+04	+1	8.76
ENEL 8 92	44	100¹2	100%	-05	+04	7.90
first City Fin. 84 92	25	702	1027	404	+04	7.93
Japan Air Lines 74, 91	100			-0%		
Manitobs 7 92	100			٥		6,46
National Power Co. 8 92	30			-0 <u>-</u> 0 <u>-</u> 4		7.67
Nippon T. and T. 65, 92	100			102		6.26
OKB 74 82	100	1027	1024	<u>∸04</u>	-04	7.37
Ost. Donaukraft 7 92	300	1013	101%	+0%	+74	6.78
Ost. Postspar 74 92	100	101	1014	+0%	+04	7.33
Quebec 7's 92	100	1035	103%	-04	-0%	6,84
Saint Etienna 82 31	20			+0%		
Soc. Lux. de Chr. 84 92	80					7.37
TNT 0/S Fin. 8 91	50	1047				7.25
Transcenade Pips. 7 94	100			ō.		
Unitates NV 74 83	100	1074	1072	+0%	in	6 54
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	OTHER STRAIGHTS	issued	Bid				Yleid
	Can. Utilities 17 96 CS	50					17.25
- 1	CIBC 154 89 C\$	- 75	1963 <sub>2</sub>	957	+0%	-13	16.57
٠,	Pancanadian 167 <sub>2</sub> 88 CS	^65 T	1981	987	a.	+02	18,82
	Quebac 1712 87 CS	50	11021				
	Queb, Urban 16% 86 CS	20	1100	1001	-012	-0-	15.59
	Tordom Cpn. 16 2 88 C\$	25					17.04
	Transaite 17 89 CS	50	1997,				17.03
l	U. Bk. Nwy. 9 2 90 EUA	18	913	93			10.98
	Algemena Bk. 10% 86 FI						9.88
	Amfas Group 124 86 Fd	40					10.89
ľ	Amro Bank 12 86 Fl	茏					10.16
	Amro Bank 12 88 Fl	60	105	1051	-97	÷01.	10.47
	Pierson 104 86 Fl	50:					10.08
	Rabobank 12 86 Fl	50.	400	1007	TUT	TO:	10.37
	OKB 14 86 FFr	400	PO 1	100.5	TU4	_01	17.43
	Solvay at C. 143, 86 FFr	200					
	Acona 14 85 £						18.11
		20	94%				15,76
	Beneficial 144 90 €	20					17.09
	BNP 132 91 E	15					15.34
'	CECA 1312 88 £	20					14.68
	Citicorp 0/S 13 90 £	50					14,33
	Fin. Ex. Cred. 133, 86 £	15					15_28
	Gen. Elec. Co. 124 89 £						74.07
	Hiram Walker 147, 86 £	25	9672		+04	-0%	15.27
	Privatbanken 14% 88 £		92	93	G		16.63
	Reed (Nd) NV 164 89 £	25					16.45
١.,	J. Rothschild 147, 90 £	12	977:	987	+0%	-04	14.55
	Royal Trustco 14 86 C	12	96 <sup>1</sup> 2	972	0.	-02	15.04
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Convertible Bonds: Denominated in dollars unless other-wise indicated. Che, day—Change on day. Cnv. data— First date for conversion into shares. Cnv. price— Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Pram—Percentage premium of the current effective price of acquiring shares vie the bond over the most recent price of the shares.

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#### GM plans switch in steel buying practices

By Richard Lambert in New York GENERAL MOTORS, the world's largest car maker, is planning a new relationship with its steel suppliers for the 1983 model year, in a move which could have a significant impact on the U.S. steel industry. This follows yesterday's news of a tentative two and a half year labour con-tract with the United Auto-

workers' Union. The company said that it was attempting to streamline its purchasing practices and reduce its inventories. This would help it to meet its future needs for steel, based on its smaller car design and present market volume.

General Motors refused to be more specific, and the major steel manufacturers would not comment on the development. But it appears that the company intends to ask suppliers to bid for its business in the future, as opposed to approaching them

itself for individual contracts. At present, the leading U.S. motor manufacturer uses all the major integrated steel suppliers, about a dozen in number. Sourcing decisions are made at plant level, subject to central review.

Switching to a bidding system could increase the competition to supply General Motors' needs and sharply reduce the number of its mainstream suppliers.
The company is known to

be planning other ways of cutting production costs and its working capital needs. It is working towards a system where components arrive at the production line when they are needed, instead of having to be stockpiled and it has made it clear that this could involve a reduction in the number of its component

The motor manufacturing market accounted for just over 15 per cent of domestic steel shipments in the U.S. last year, compared with well over 20 per cent in the late 1970s. General Motors accounts for roughly half of

these sales. Ford, which produces up to two-fifths of its steel remoirements from its own facilities, said that it was not planning any changes in its huying policies. It depends on 10 policies. It depends on 10 integrated steel suppliers for about 88 per cent of its external needs.

#### General Mills above forecast at nine months By Our Financial Staff

A STRONG rise in earnings from both the consumer foods and restaurant divisions in the third quarter has taken profits at General Mills above forecast at the end of the first nine months. Net earnings have gained 16 per cent to \$185.Im or \$3.66 a share on sales 18 per cent ahead at

For the full year, Wall Street analysts have predicted carnings of \$4.45 a share assuming adoption of FAS 52, the new accounting standard for foreign currency translations. This compares with earnings of \$3.90 a share last

The major boost came in the third quarter, which shows a 39 per cent jump in earn-ings to \$43.5m on sales 12 per cent ahead at \$1.23bn. The board said that the

"unusually strong" third quarter reflected a gain of almost 20 per cent in operating profits and a lower effective tax rate.

The consumer foods divi-sion, which brought in nearly half of last year's net earnings of \$197m, was almost 25 per cent ahead,

#### Output cut to half at Kaiser Aluminum

By Our Financial Staff

KAISER ALUMINUM and Chemical, the third largest U.S. aluminium producer, has cut its level of output to less than held of canasity in a than half of capacity in a further move to run down stocks in the face of poor demand for the metal.

The company is to take two potlines with a combined 55,000 tons a year capacity out of production at its plant at Mead, Washington state, having already shut down a 30,000 tons of capacity at the plant in January.
The cuts will reduce
Raiser's operating rate to 353,000 tons a year, about 49

per cent of its annual capacity of 724,000 tons. Raiser said the cuts would allow it to run down its stocks more rapidly than the expected rates of shipment for the metal would permit, and so reduce the costs of earrying stocks. About 180 employees will be affected Kaiser last year ran up 2 \$16m loss in its final quarter and expects to report a deficit for the current March 31 quarter. Overall 1981 net earnings were \$132.9m earnings were against \$247.6m.

Louise Kehoe reports on a new growth strategy in Silicon Valley

### Intel exploits its technology lead

despite the continuing challenge

The claim comes as the company is soon to announce what that taken in the past by miniare expected to be its worst quarterly results. The company duarterly results. The company believes, however, that the current poor business condi-tions, and its fortunes, will improve in the second quarter Intel's key to growth is a strategy which involves exploiting its chip technology in the computer systems business.
The semiconductor makers

have feared for many years that once that they had developed the technology to pack a great number of functions on to a silicon chip, they would not know how to apply it.

#### **Building blocks**

Intel has found its own answer. The company will self building block" products—computers with common applications in several broad markets—then reduce the building block until it is re-

up a computer system using its have recently been announced. his target of \$150m earnings Next it aims to take sub-systems by 1983, but he admits that the

as making it proprietary in the process.

The approach is similar to profits were around \$100m. computer manufacturers, which devised custom chips to shrink their systems, but it is a fresh approach for a semiconductor manufacturer and reflects Intel's new stance as a computer systems supplier. With its advanced semi-conductor manufacturing tech-

nology. Intel is well placed to challenge established mini-computer makers such as Digital Equipment and Hewlett-Packard, its arch rival. For the moment, however, Intel is playing down any suggestion that it will be competing directly with other computer makers-perhaps because many of them are Intel chip customers,

Despite

stance, Mr Gordon Moore, chairman, said the company would at best break even for the first three months of 1982. Last year earnings plunged in duced to a tiny chip. the corresponding period from First, the company will build \$24.1m to \$2.1m. Intel nevertheless is building up its workexisting chip technology. The force and preparing for growth, first examples of these products Mr Moore still hopes to reach

INTEL, one of the leading U.S. from those computers and poor performance of the past prices innovative products can manufacturers of semiconduc "integrate" them on to a few year has set Intel back by at command. Intel has established tors, believes that it has found new chips—reducing the cost least a year in its growth plans. a marketing plan of dropping they key to long-term growth and size of the system as well Intel's earnings for 1981 were out of markets once they and size of the system as well Intel's earnings for 1981 were only \$27.4m, much lower than become the previous two years when areas.

Intel's biggest problem-and that of the entire U.S. semiconductor industry-over the

#### Falling memory prices

falling by 90 per cent over the reduce the cost of the machine past year, Falling memory and overcome the problems of prices had cost Intel \$100m in protecting the programs from revenues, despite an increase in copiers. the number of memory parts

Mr Andrew S. Grove, Intel president, said: "We will have to huy market share." implied Intel would cut prices unchanged. to become competitive with the

"We expect to be a major supplier by the end of the year." Mr Grove said. For Intel, this is an uncharacteristic stance as in the past the company has led and profited from the higher own customers.

year has set Intel back by at command. Intel has established become low priced, high volume

Some of Intel's latest chip products are based on a new way of storing compute rprograms on chips, rather than on past year has been the fall in magnetic tape or discs. The so-prices on memory chips, caused called "software in silicon" to a great extent by Japanese approach is the key to Intel's plans in the computer systems

market. An example is the data base processor introduced recently. At Intel's last annual meeting. By sealing the proprietary pro-Mr Moore charted the price of grams that run the new system one type of memory device into a chip. Intel is able to

Although generally nised as a chip maker. Mr Grove, Intel has recently entered the Intel president, said that 40 per 64K RAM market, more than a cent of Intel's sales revenues year later than its competiture, came from systems products came from systems products last year. He expects that percentage to rise in the short-term This but will then remain relatively

At the same time the com-pany is building up its service operations, and is offering "end-user service" on its latest computer products. For the -perhaps too much-that it is the market with new technology not going to compete with its

#### **Income at Levi Strauss** down in first quarter

LEVI STRAUSS, the world's and more latterly, the deepenlargest clothes manufacturer, ing U.S. recession.
yesterday reported first quarter Levi said yesterday that net profits more than halved at results for the rest of the year \$16.98m, or 41 cents a share, because of lower sales volume. by economic conditions. The figures compare with \$38.22m, or 92 cents a share,

Levi blamed the profits fall on soft and erratic domestic orders in the first quarter, but said that international orders held steady compared with last distribution group, reports that

year. The latest quarter's figures follow a sharp decline in net depressed," mainly because of earnings last year from \$223.7m, or \$5.36 a share, in \$172.3m or \$4.15 a In the first quarter of 1981 which came after IU had earnings of \$14m, or 1980 to \$172.3m, or \$4.15 a unusual " foreign currency movements, high interest rates of \$565m.

would continue to be influenced

In a bid to boost its share of the U.S. market, Levi Strauss in the same period last year, recently reached agreement to Sale sdropped from S641.7m to sell a wide range of its products through Sears, Roebuck and J. Penney, two of the largest U.S. retailing groups. • IU International Corporation,

the diversified transport and its earnings for the first quarter this year will be "substantially the effect of the depression on transport operations.

62 cents a share, on revenues

#### Banco de Brasil shows sharp rise in earnings BY PETER MONTAGNON, EUROMARKET CORRESPONDENT

BANCO DO BRASIL, Brazil's close trade relationship with largest commercial bank, has Poland - and others in Peking. reported a 29 per cent increase. Hong Kong and various centres in net earnings for last year to U.S.\$975m compared with \$756m Figures released in London

yesterday show that total assets rose by 24.6 per cent to \$65.4bn from \$52.5bn, while capital and contributed \$279m to net profits. reserves rose by 20.1 per cent to \$4.3bn from \$3.6bn.

In a statement the bank pointed to the continuing rapid expansion of its international business. Foreign assets last were opened - in Nassau, Punta Arenas (Chile), Valencia and San Juan (Prerto Rico). A further eight new offices are under consideration for 1982, a bank official said. These

include a representative office in

ın Africa. The bank said its expansion abroad follows the strong growth of Brazil's foreign trade. Last year its foreign operations

This was 28.6 per cent of net profits, whereas foreign assets made up 36.7 per cent of the balance sheet total, suggesting that domestic banking in Brazil was more profitable than interyear rose to \$24bn from \$20.8bn national business. Brazilian in 1980 and four new branches banks were able to charge high margins on domestic lending last year, given the country's very high interest rate structure.

Within Brazil, the bank, which is nearly 60 per cent owned by the Government, opened 38 new branches, bringing its total net-Warsaw - reflecting Brazil's work to 1,235.



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### Construction arm of **Empain-Schneider** set to buy Trindel

PIE-BATIGNOLLES, the interthousi construction arm of Empain-Schneider group, is expected to announce an agreement later this week to buy Trindel, a leading elec-trical installation specialist.

An earlier plan to join forces Fougerolle — another major construction concern controlled by Paribas, Empain-Schneider's main shareholder appears to have been shelved. The scheme has not been taken further since the two announced last May that they would study a link-up. In the interim, Paribas has been nationalised. Trading in the shares of Trindel's parent company, Unidel was suspended on the Paris bourse last Friday as a result of takeover rumours. The water utility Lyomaise des Eaux holds a blocking minority

the expanding public works off-shoot of the CGE concern. Trindel employs 5,500 and had a turnover of FFr 1.5bn

#### Hoffmann in \$160m bid for U.S. group

By John Wicks in Zurich

SWISS CHEMICAL company Hoffman-La Roche has made a cash offer of \$28 a share for Blomedical Reference Labora-teries of North Carolina. Should Roche succeed in acquiring the U.S. company, the cost of the transaction would be of some \$159.6m. Roche has already signed definitive purchase agree-ments for 31 per cent of Com-mon stock at a price of

Biomedical Reference is one of America's leading independent clinical laboratories.

with the recent policy of Lyon naise des Eaux of reducing its involvement in public works. Mr Fritz-Gerber, Hoffmann's chairman, says the acquisi-tion is intended to strengthen the group's international commitment in the diagnos-It sold one of its subsidiaries, Distrilec, to the electrical engineering group Merlin-Gerin (also part of Empain-Schneider) last year. More recently it ceded control of the roadworks company Cochery to tics area. While the U.S. company is to remain under its present management team. it will be merged with an existing affiliate of Roche's U.S. subsidiary, Société Générale d'Entreprises,

### Spanish bank places share capital on London stock market

Americano, has placed just less than 3 per cent of its capital on the London stock market to raise around \$18.5m.

This is the second Spanish bank within six months to use London as a means of internationalising its capital base, and several more are expected to follow suit.

A total of 1.3m Hispano shares in two lots have been placed by Singer and Fried-lander, using international have substantial portfolios of depositary receipts (IDRs). The their own shares bought at same method was used by various times in the past four plant it plant is plant.

SPAIN'S THIRD largest com- market value is Pta 92.5bn. The mercial bank, Banco Hispano- bank last year turned in protax profits 21 per cent higher at Pta 11,66m (\$11.02m) with a dividend payment equivalent to 20 per cent of par.

Hispano is already repre-sented in London through Banco Urquijo Hispano Americano (BUHAL) which it jointly owns with Urquijo. The two banks recognise the "value of international investor sup-

years in order to maintain stock when it placed 5 per cent of exchange quotations, its capital in London.

Hispano's present capital is soon follow the London Pta 28,89bn, and its stock to improve marketability. exchange quotations. It is thought likely that they may soon follow the London route

#### Lindt chocolate group boosts annual earnings

BY OUR ZURICH CORRESPONDENT

SWISS CHOCOLATE manafactory of SwFr 60 a share on each joint turer. Chocotadefabriken Lindt share of Helvetia Swiss Fire "Spruengli," of Kikchberg, is Insurance Company and to pay an unchanged dividend to pay an unchanged dividend Helvetia-Unfall Schweizerische of SwFr 100 per registered and bearer share for 1981 on increased capital of SwFr 11m. This follows a rise in parent recorded a rise in net profits for last year from SwFr 238m company net earnings for the year from SwFr 3.5m to SwFr 3.9m (\$2m). World sales of the confec-

tionery brands Lindt, Spruengli, Grison, Nago, and Rozan, in-cluding licence income, fell from SwFr 563m to SwFr 540m (\$284m) last year. But this was due solely to changes in foreign currency parties in

local currency terms, turnover actually showed an increase of

for last year from SwFr 9.38m to SwFr 9.77m (\$5.14m), following a 5.9 per cent rise in premium income to SwFr 593.46m.

The Zurich-based insurance partner Helvetia-Unfall booked an increase in net earnings from SwFr 10.15m to SwFr 10.23m (\$5.38m) and a rise in premiums by 3.9 per cent to SwFr 550.5m. As part of the joint stock unit, it will pay a dividend for 1981 of SwFr 27 a

#### Swedish investment group plans one-for-four scrip

BY WESTERLY CHRISTNER IN STOCKHOLM

which owns the Swedish Sugar Company and has extensive in-terests in seeds and biotechnology, reports a pre-tax profit of SKr 297.5m (\$51m) for 1981. In the previous financial period, covering May to December 1980, the group achieved pretax earnings of SKr 151m.

(\$245m) last year. A quarter

The deal will push Spie-

Batignoiles, which is largely geared to the foreign market,

further up the world rankings,

after an increase of one third in

its turnover last year to FFr

Forchum, Umidel's other sub-

sidiary which is also involved

in electrical transmission work,

is not believed to be part of

The agreement would fit in

of this was overseas.

the planned deal.

Sales totalled SKr 2.4bn for 1981, compared with eightmonth sales of SKr 1.4bn previously. The board recommends increasing the dividend to SKr 7.50 per share, from SKr 4.25 plus a SKr 1 bonus for the previous period. It also

ports a surplus of SDR 13.2m (\$15.3m) for 1981, compared with SDR 12m in 1980. NIB loans in the year showed an increase of 32 per cent on 1980. The energy sector accounted for almost half of the volume of lending and for

plans a one-for-four scrip issue.

• Nordic Investment Bank re-

37 per cent of the total lending Loans outstanding at the end of the year increased by 53 per

cent. NIB's own long- and medium-term borrowing in-creased. 7.6 per cent. ● An unchanged 1981 dividend

### Norway downgrades Statoil role

SINCE IT was founded 10 years correct. Keen, ambitious young managing a new usversyment ago. Statoil, Norway's state Norwegians — geologists, project—the so-called Golden place on April 1. owned oil company, has grown geophysicists, engineers and block oil and gas fields—and the More serious for Statoing was gathering scheme, the longer term as the Norwegian gas and oil industry in which it plays such a

Last week it announced a record NKr 1bn (\$165.8m) profit for 1981—up fivefold from the previous year—and the payment of its first dividend.

As a newcomer to the oil scene, the company at first had to rely on extensive technical help from established, foreign oil companies. But this stage is now over and indeed the achievement of independence from foreigners was one of the primary goals of Mr Arve Johnsen, Statoil's managing director, almost from the day it was formed.

Mr Johnsen believed that mastering the necessary technology would not be too difficult for a highly developed industrial nation such as

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new company, with many sent In addition the company is abroad for further training, involved through subsidiaries in often to foreign oil companies downstream activities such as

Political changes have altered an

energy group's trading structure. Fay Gjester in Oslo reports

which tutored them as a way of petrochemicals, refining, and oil earning the Norwegian authorities goodwill.

The policy paid off and for several years Statoil has been able to act as operator—the com-pany in charge—in exploratory drilling.

It is now embarking on the Norway, and he has been proved still more demanding task of

product marketing and it has advised the Government of China on offshore oil legislation.

In the past half year, however,

political developments have not favoured Statoil. The Storting (parliament) elections last autumn put in office a minority Conservative Government, committed to reducing the state company's role and giving more scope in the North Sea to other Norwegian companies, particularly the two which are already active on Norway's shelf—Norsk Hydro (52 per cent state owned)

and the much smaller Saga Petroleum, in which the state has no interest. One of the Government's first moves was to reverse the previous Labour Administraprevious Labour Administra-tion's decision that Statoil should take over as part operator of the big Anglo-Norwegian Statfjord field—now operated by Mobil—on January 1 1985.

The plan was to transfer operator status on the field's first two production platforms, with the third platform to be handed over two years later when field developments would

The Conservatives, backed by their Parliamentary allies, have decided that Mobil must remain as operator at least until all three platforms are installed and have been run in. This is likely to be late in 1987 or early on 1988, but in any case well after the next Parliamentary elections are due in September

Mr Johnsen admits that this decision had been his greatest disappointment in 1981.

Another sign of the new climate came last month, when the Government approved the trans-

More serious for Statoil, over economists—flocked to join the Statpipe gas gathering scheme, the longer term, is the new new company, with many sent In addition the company is Government's determination to

deny it any specially favoured that enjoyed by all Norwegian

The company has previously been entitled to at least a 50 per cent interest in all new Norwegian concessions, with this increasing to as much as 80 per cent according to the eventual production levels. It may also be deprived of its right to handle the Norwegian

state's royalty oil. One reason Statoil has been gettling such large shares on all licences granted since 1973 is that the Labour Government regarded it as the main agent of the state's offshore interests. It intended the company to collect, and to a large extent administer, much of Norway's income from offshore oil and gas. Statoil's 50 per cent stake in the Norwegian part of the Statfjord field (42 per cent of the field as a whole), is, for instance, its main source of earn-

ings at present. The new Government proposes to change all this. It has scrapped Labour's plans to give Statori 85 per cent of three very promising concession areas adjoining Shell's large gas find on block 31/2. The remaining 15 per cent would have got on a 60/40 split to Norsk Hydro and Soga A new character of the state o and Saga. A new share out of these three blocks will be announced late in April or early in May, and two new Norwegian groups — Norenergi and Explonor—have applied for

Meanwhile, the Government has appointed a seven member Royal Commission, headed by Mr Gunnar Hellesen, a banker and former Conservative Defence Minister, to study how state participation in Norway's offshore industry should be organised. Its terms of reference are that the civil service should take over Staton's function as a collector and administrator of state petroleum in-

This might involve the creation of a new state holding company quite different from Statoil. It would almost certainly end the need for sliding scale clauses to increase Statfer of operator on "Silver" oil's share of a concession once block 30/6, which is still in the production passed a certain exploration phase, to Norsk level. oil's share of a concession once

### 

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Medium Term Loan and Export Credit Facilities in connection with the purchase of two semi-submessible drilling units

US \$60,000,000 **Medium Term Facility** 

Lead Managed by Banque de Paris et des Pays-Bas Banque Nationale de Paris Crédit Lyonus Societé Générale

ne de Paris et des Pays-Bas Banco do Brasil S.A. été Financière Européanne Finance Company N.V. SFE Group rciale pour l'Europe du Nord (Eurobank) Banque de l'Union Europé

> Credit Industriel de l'Ouest C.I.O. Attenged by Banqua de Paris et des Pays-Bas

US \$25,000,000

US \$15,000,000 **Medium Term Facilities** 

Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited Japan International Bank Limited

Libra Bank Limited Chase Merchant Banking Group

ue de Paris et des Pays-Bas (London Branch) Provided by

Libra Bank Cimited Banque de Cor Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited rational Bank Limited dustrial Colombiano de Panama, S.A. nal S.A. (Brazil) MTBC & Schroder Benk s.e. ok of Kuwait K.S.C. Banco Pastor, S.A. Dalwa Europe N.V.

> goe de Paris et des Pays-Bas (Landon Resoch) Banque Nationale de Paris Limited

União de Bancos Brasile

Arrestand by Libra Bank Limited Banque de Paris et des Pays-Bes

Co-ordinated by Banque de Paris et des Pays-Bas



place Policy Change on Commercial Credits

### India turns to borrowing abroad

k marke BY THE end of the financial of return and are able to Aluminium Company (Nalco) purchase of ships year on March 31, the Indian strengthen our export cap for a plant being set up in Indian Airlines Government will have approved ability. It is in the light of Orissa State with the help carrier, has been decreased as the contract of th agreements for a total of to the state of th \$1.185bn of loans from the world capital markets in 12 months, India was a negligible commercial borrower before this. and has thus made a dramatic entry into the market.

India's entry for the first time into the world capital markets to finance development and other projects comes when it faces a serious balance of pay-ments problem which is expected to erode the foreign exchange reserves by around Rs 20bn (\$2.2bn), in 1981-82, and by about the same amount in 1982-1983 despite disbursal of instalments of a three-year \$5.8bn loan from the International Monetary Fund.

The international aid climate for loans at concessional interest rates is fast deteriorating, and India has been forced to look for commercial credits. Partly, this is because the Government's calculations on its own rupee resources have gone awry, but it is also associated with the sharp worsening of the terms of trade in the past three years which has resulted in the current

balance of payments crisis. India's Planning Commission explains that the country's policy on borrowing on com-mercial terms has been restrictive in the past because of the need to prevent foreign debt servicing becoming an Commission now says: "It is International Finance Corpora to the Oil and Natural Gas nevertheless desirable to make tion, the affiliate of the World Commission for its Bombay selective use of the opportunities of borrowing abroad, tunities of borrowing abroad. The biggest of the com- grammes and \$95.4m that 14 for the Orissa steel plant and a particularly for financing pro-mercial loans is the \$580m shipping companies have been super thermal power plant now jects which have a high rate raised by the National allowed to raise in total for the being negotiated.

means that for the first time project.

these considerations that the of Aluminium Pechiney of balance of payments projectrance, the subsidiary tions include borrowings from Pechiney Ugine Kuhlm abroad on commercial terms." which has helped to arran This radical change in policy financing package for the to be signed, but they have been

projects like steel plants. The second biggest is a \$110m Four five-star hotel projects aluminium smelters and power loan raised by Rashtriya in Delhi are to be financed stations are to be financed by Chemicals and Fertilisers partly partly by loans totalling \$37m.

India is making a dramatic entry into the international capital market, as the climate for concessional loans deteriorates, and the balance of payments is hit by a worsening of the terms of trade, reports K. K. Sharma from New Delhi. The loans will cover such things as the development of the country's industrial capacity, and are aimed at strengthening exports

fields approved in the past year are mainly for the financing of projects, import of capital goods, purchases of ships and aircraft—and setting up of financial institutions.

hotels in Delhi in preparation The Industrial C.

for the Asian Games, to be Investment Corpor.

panies have been allowed to raised \$25m for the same make quasi-commercial loans purpose.

commercial loans and built on a to finance the import requireturnkey basis by foreign comments of a fertiliser complex at panies, even though India has Thal Vaishet in Maharashtra its own capabilities in these State after the World Bank fields.

The S1.185bn of loans pect, following a controversy over the appointment of con-sultants. This amount was raised in Kuwait by the issue

The Industrial Credit and raised by other public and Investment Corporation of vate companies in 1982-83. for the Asian Games, to be Investment Corporation of vate companies in 1982-83.

held later this year. India (ICICI) raised three

Permission to make the separate loans totalling \$78.5m.
loans has been given to 33 to help it provide the foreign commercial hurrowings.

Government and private companies and financial institutions in varying amounts. In jects, The industrial property of the inflows of addition, four private comment wants to the provide the inflows of foreign exchange—so that the names have been allowed to raised \$25m for the same credit rating of the country.

of bonds to three Kuwaiti

High offshore development pro-

Indian Airlines, the domestic carrier, has been permitted to borrow \$77.7m to buy two Airbuses and four Boeing 737s to Pechiney Ugine Kuhimann, augment its present fleet. The which has helped to arrange a agreements on these have still

> negoliated and approved. representing the first time that foreign borrowings for this pur-pose have been allowed. The loans are being raised by Asian Hotels, Siddharth Hotel, Surya International Hotel and Pure Drinks.

The loans have been raised in most part at fine margins over the London inter-bank offered rate (Libor), and the debt servicing burden of the year's loans is estimated at around \$200m a year.

To these will be added further non-concessional loans now under negotiation which will be approved in 1982-83. Apart from a huge loan spread over three years for the \$2bn steel plant in Orissa to be built by Davy McKee of the UK, it is expected that another \$500m will be raised by other public and pri-

credit rating of the country remains high. Second, the IMF has set a ceiling of \$1.4bn on short-ferm non-concessional borrowings for next year. This This announcement appears as a matter of record only and does not constitute an offer of,

### Republic of Austria

Issue of up to

U.S. \$150,000,000 15½ per cent. Bonds due 1988 of which U.S. \$75,000,000 are being issued as the Initial Tranche

Salomon Brothers International

S. G. Warburg & Co. Lid.

Morgan Guaranty Ltd.

Credit Suisse First Boston Limited

Creditanstalt-Bankverein

Deutsche Bank Aktiengesellschaft

Genossenschaftliche Zentralbank AG-Vienna

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Morgan Stanley International

Orion Royal Bank Limited

Österreichische Länderbank Aktiengesellschaft

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

#### Australian insurers in merger talks

By Our Financial Staff

TWO OF Australia's largest insurance companies. National Mutual Life Association of Australasia and T and G Mutual Life Society, have announced that they are holding talks on the possibility of merging.

If the companies did link up their combined assets would total A\$4.Sbn (US\$ 5.1m), ranking second in the country behind Australian Mutual Provident Society's A\$6.9bn.

- Discussions between the two groups are at a very early stage Ipoh Gardens is the fourth which it and Pegi, another months ended December 1980.

Ipoh Gardens is the fourth which it and Pegi, another months ended December 1980.

Malaysian listed property comments that it might take a year pany in the past month to report will have equal stakes. Pegi principal shipping subsidiary of

A merger would require Federal Court approval, he added. The two companies believe that a merger would be in their best interests because in their best interests because of the wider asset base which would be available and the economies of scale

Last month T and G announced that, in partnership with Samuel Montagu, the year. London accepting house, it was The bulk of the earnings will buying out the minority partners in Capel Court Corporation, one of Australia's leading
tion, one of the Australia's leading
tion, one of the Australia is the Australia is the Australia is the A merchant banks. This will give T and G 60 per cent of the bank | chase, with Samuel Montagu holding The Malaysian Government the balance.

#### **Ipoh exceeds expectations** with 120% profits rise

ringgit in cash.

As previously reported, MPH

will inject the Dunlop Estates

shares into a joint company in

will inject its 17 per cent stake

Both MPH and Pegi have undertaken not to increase their stake in Dunlop Holdings.

When the deal

announced last October. It was

cians, including Dr Mahathir, the Prime Minister, who felt

Dunlop Holdings had been insensitive to Malay feelings by selling Dunlop Estates to the

BY WONG SULONG IN KUALA LUMPUR

IPOH GARDENS, a major controversial deal involving the Malaysian property developer, purchase of Dunlop Estates by which obtained a public listing the Malayan Chinese-owned late last year, has exceeded its Multi-purpose Holdings. MPH profit projections, with pre-tax will buy 51 per cent of Dunlop earnings rising by more than Estates from Dunlop Holdings 120 per cent to 31.7m ringgit of the UK for 252m ringgit. (U.S.\$13.6m) in 1981.

After-tax profit for the year was 105 per cent higher at 16.6m ringgit nearly lm ringgit higher than projected net

earnings.

The company expected to pay a final dividend of 7.5 per cent, making 12.5 per cent for the

means that it might take a year pany in the past month to report will have equal star to arrange the merger, Mr Bob hefty increases in earnings, re-will inject its 17 per Bienvenu, National Mutual's fleeting strong demand for in Dunlop Holdings.

poration, another expanding subjected to considerable development group, has projected pre-tax earnings for the current year of around 40m ringgit, compared with 7m ringgit in the last financial

one ringgit each for the pur-

#### | Wheelock Maritime lifts payout

By Our Financial Staff

WHEELOCK MARITIME International, part of the Wheelock Marden trading group of Hong Kong, has reported group net profits for the year ended December of HK\$ 85.71m.

An extraordinary profit of HK\$ 65.37m on the sale of vessels and an unrealised foreign exchange loss of HK\$ 3.3m made the overall profit for the period BK\$ 147.78m.

Minority shareholders of Dunlop Estates are given the same choice of exchanging every 3,000 shares held for 5,750 new MPH shares or 17,250 The company which has changed its year end to December, had shown an overall profit of HK\$ 57.18m for the nine The concern, which is the principal shipping subsidiary of declared a final dividend of 40 cents per A share against 25 cents a year earlier, making a

total of 65 cents against 45 A dividend of 4 cents per B share (2.5 cents) has been declared, making a total of 6.5 cents (4.5 cents).

The company had reported an interim net profit of HK\$ 43.37m, but it said at the time that the result should not be taken as indicative of the full year performance.

This announcement appears as a matter of record only.

### Polyenka s.a.

Equivalent of US \$ 10,000,000 Medium Term Financing

Arranged by

Nederlandsche Middenstandsbank N.V.

in association with

Kredietbank International Group

**Banque NMB - Interunion** 

December 1981



### PORTO ALEGRE - RIO GRANDE DO SUL - BRAZIL

COMPANHIA ESTADUAL DE ENERGIA ELÉTRICA

Medium Term Loan and Export Credit Facilities

in connection with the construction of the thermoelectric power station known as "Candiota fif" Guaranteed by

#### The Federative Republic of Brazil

#### US \$120,000,000 Medium Term Facility

Lead Managed by Banque de Paris et des Pays-Bas Societé Générale Crédit Lyonnais Banque de l'indochine et de Suez Barclays Bank S.A. Crédit Commercial de France

Banque de Paris et des Pays-Bas Crédit Lyonnais Banque de l'Indochine et de Suez lays Bank S.A. Cridit Commercial de Franc Banque Arabe et Internationale d'Investissement (BAII) Frab Bank International Crédit du Nord Arab Bank Limited Paris Branch Banque Rothschild **Banque Sudameris França** Union de Banques Arabas et Françaises U.B.A.F.

Société Centrale de Banque

Banque Commerciale pour l'Europe du Nord (Eurobank)

ndustriei de l'Ouest C.I.O. Union Medité

Agent Bank Société Générale

Arranged by Banque de Paris et des Pays-Bas

US \$40,000,000 Medium Term Facility

Libra Bank Limited The Kyowz Bank, Ltd - BANAMEX-

Libra Bank Limited The Kyowa Bank, Ltd Banco Cafetaro, S.A. (Panama) Control Trustee Savings Bank Ltd. Estado do Rio de Janeiro SA — RANER I Grand Cayman Branch First Jersey National Bank

Trust Company Bank

Arranged by Libra Bank Limited

FF 741,000,000 **Export Credit Facility** 

Managed by Banque de Paris et des Pays-Bas Societe Generale Crédit Lyonnais Banque de l'Indochine et de Suez Barclays Bank S.A. Crédit Commercial de France

Provided by

Banque de Paris et des Pays-Bas Societé Generale Credit Lyonnals sue de l'Indochine et de Sust Barcleys Bank S.A. Crédit Commercial de France Sanque Arabe et Internationale d'Investissement (BAII) Frab Bank International Credit du Nord

Arab Bank Limited Paris Branch Banque Rothschild Banque Sudameria France Union de Banques Arabas et Françaises U.B.A.F. Societé Centrale de Banque Sanque Commerciale pour l'Europe du Nord (Euroba

Long Term Instalment Banque Française du Commerce Exterieur

Credit Industrial de l'Ouest C.I.D. Union Mediterraneanne de Bern

Arranged by Banque de Paris et des Pays-Bas

Banque de Paris et des Pays-Bas



Co-ordinated by



December 1981

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U.S. \$50,000,000



#### Banco de la Nación **Argentina**

Floating Rate Notes 1986

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 24th March, 1982 to 24th September, 1982, the Notes will carry an Interest Rate of 15½% per annum. The relevant Interest Payment Date will be 24th September, 1982.

Credit Suisse First Boston Limited

**Bearer Depositary Receipts** in respect of US \$30,000,000 Floating Rate Note 1988

SANWA INTERNATIONAL FINANCE LIMITED

unconditionally and irrevocably guaranteed as to payment of principal and interest by THE SANWA BANK, LIMITED

For the six months from March 24, 1982, to September 24, 1982, the above-mentioned Note will carry an interest rate of 1516% per annum. The interest payable on the relevant interest payment date, September 24, 1982, against Coupon No. 2 will be US 5782.64 per September 24, 1704, against Lus \$10,000 Bearer Depositary Receipt.

By: CITIBANK, N.A., London
Agent Bank

March 24, 1982

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**NEW YORK** 

ACF Industries 3212.

AMF 173
AM Int 173
ARA 243
ASA 243
ASA 183
AVX Corp 184
Abbot Labe 28
Acme Cleve 23
Adobe Oil & Gas. 163
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Aetra Life & Gas. 461
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Air Prod & Chem 24
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Air Prod & Chem 37

Am. Medical Intl 2031 312 Am. Motors 512 312 Am. Nat. Resces 313 32 Am. Patrina 61 5912 Am. Patrina 93, 93, 932

Am. Standard. 2734 3434 3448 Am. Tol. & Tel. 5719 57 Ametek Inc. 2514 24 Amfac. 25 2232

| 121g | 111g | 541g | 337g | 215s | 211g | 25 | 25 | 251g | 247g | 20 | 20 | 297g | 291g | 35 | 351g

Carter Hawley ... 15
Catterpillar ... 454
Caterpillar ... 454
Celanese Corp ... 507
Centex ... 1512
Central & Sw ... 1512
Central Tel util ... 293
Certein-teed ... 103
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Champ Home Bid ... 173
Champ Int ... 16
Champ Sp Plug ... 75
Charter Co ... 7
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Chicago Pneum ... 1468
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MONTREAL

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Companies and Markets

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Financial Times Manday Morch 29, 1027

Schlitz Brew .... 185<sub>8</sub> 117<sub>8</sub>
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SCM .... 227<sub>8</sub> 223<sub>8</sub>
Scott Paper .... 17 16
Scudder Duo V ... 12 117<sub>8</sub>

| Southern Co. | 181g |
| Sthn. Nat. Res. | 225a |
| Sthn. N. Eng. Tel. |
Sthn Pacific	345a
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Southlend	281c
Sw Bancshares.	
Sperry Corp.	291g
Spring Wills	231c
Square D	251e
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Std Oil Ohio. 34 ts
Stanley Wis. 15
Staurfer Chem. 21
Sterling Drug. 25 ts
Stevens (JP). 1431
Stokely Van K. 28 ts
Storage Tech. 28 ts
Sun Co. 31 ts
Storage Tech. 25 ts
Sun Co. 31 ts
Sundstrand. 40
Superior Oil. 25 ts
Super Val Stra. 18 ts
Syntex. 34 ts
TRW. 47 ts
Tart. 30

Textron 2119
Thermo Electro 1738
Thomas Betts 46
Ildewater 2645

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Union Pacific...
Uniroyal...
Unto Brands...
Utd, Enargy Res...
US Fidelity G...
US Gyosum...
US Home...
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Questor 123e
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Redman inds 113,
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215; 275; 121, 151, 251, 455; 111, 455; 371, 451; 141, 271; 481; 1418

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Ryan Homes
Ryder System.
SFN Companies.
SFN Companies.
SFS Technol gies
Sabine Corp....
Safeco
Safeway Stores...
St. Paul Cos.
St. Paul Cos.
St. Regis Paper...
Santa Fe Inda
Sant Invest.
Saxon Indus...
Schering Plough.

6t. Atl. Pac. Tea. 53s 51s 6t. Basins Pet. 27s 27s 6ththn. Nekcosa 531s 101s 101s Greyhound 141s 137s Grumman 241s 25s 6ulf & Western 151s 15

Inti. Flavours | 177g | 173g |

Levi Strauss 217s Levitz Furntr 2534 Libby Owens Fd. 2254 Lilly (Eil) 56 Lincoln Nat 4034 Litton Inds. 475s

137s 265e 755e 354 354 254e 254e 241s 324e 174e 165s

Harris Banco...

Johannesburg

R50.00. were inclined to improve, shadowing Gold shares, in quiet dealings ahead of today's South African Budget. However, Rustenburg Platinum shed 10 cents to R3.75 following interim

Hong Kong

### Further early Wall St rally

MONDAY'S GOOD rally on Wall per chare earnings for the first-Street was extended in extremely quarter. Analysis had been pro-heavy early trading yesterday, jecting an improvement. ahead in very lively trading with Industrial active participation by foreign are being a investors again. Some prices in these ste

added 54 cents at \$65.40, while advances outscored declines by a nine-to-four margin. Turnover swelled to 53.03m shares from Monday's 1 pm level of 38.90m.

Chester Pado, of G. Tsai and Co, said a number of statistical measures of the market turned bullish at the beginning of the week, setting the stage for the upturn in stock prices.

Analysis said the large shortinterest position in the market also came under pressure, as investors who sold stock for future delivery on the expectation that prices would decline, had to buy shares to cover their positions.

The heavy volume also reflected institutional window dressing as portfolio managers switched their holdings prior to the end of the first-quarter.

sixth largest on record, was sold by Goldman Sachs to a variety of buyers.

The second most active issue was Tandycrafts, due to a block of 1.074,000 shares which traded at \$12½. The stock was trading at \$13, up 1½. Archer-Daniel-Midlands was in third place after \$40.500 km chemical share after 640,500 shares were moved at \$16. The stock was up : to \$161.

Among other active issues. Sony put on 2 to \$131, IBM 1 to \$591, General Motors 1 to \$41 and USAIR 1 to \$141.

active list, fell \$3 to \$18. The company projected unchanged Closing Prices for North America were not available for this edition.

CANADA

Scientific Atlanta, also on the

with the market spurred on by a number of "buy" signals, issued late on Monday.

The Dow Jones Industrial Average, which recovered about 14 points the previous day, was 5.99 higher at 925.53 at 1 pm. The NYSE All Common Index added 54 cents at \$65.40, while

Canada

Markets recovered fresh ground but were below the morning's best at midday. After a fair business, the Toronto Composite Index was a net 8.2 up at noon, while Golds put on 89.0 to 2,357.1, Metals and Minerals 11.8 to 1,507.3 and Oil and Gas 7.6 to 2,642.7,

Following the lengthened weekend, the market resumed trading yesterday on a firmer note in moderate activity.

The Nikkei-Dow Jones Average put on 32.42 to 7,097.80 and the Tokyo SE index 1.55 to 530.57.

Volume came to 240m shares, compared with last Friday's 380m.

Metallageselischaft rose DM 3.50 to DM 196 after cutting their zinc prices.

the end of the first-quarter.

Diamond Shamrock was the volume leader, up \( \) to \$20\\ \]. A block of 3,035,000 shares, the block of 5,005 shares, the blo covery.

However, buying interest slowed during the day, with traders generatin about the future direction of the yen against the U.S. dollar. Also, in-ternational trade friction con-tinued as a background factor due to the EEC foreign ministers' decision on Monday to start procedures against Japan under the General Agreement on Tariffs

and Trade.

Matsushita Electric rose Y45 to Y1.040, Fuji Photo Film Y30 to Y1.270, Takeda Chemical Y30 to Y325, Sony Y100 to Y3,140, Kaken Chemical Y50 to Y1.940 and Hitachi Y6 to Y580.

Germany

BELGIUM (continued) | HOLLAND

investors again. Some prices in these stocks will continue on were later trimmed by profit the cash market through to taking, but the Commerchank April S, however, index added 6.8 at 723.9, its highest level since August last

Chartist influences also contributed to the rally, as the indices rose above their 200-day

moving averages.

In the Banking sector, Comholiday, merchank closed DM 1.20 higher

Paris

Stock prices again displayed a slight bias to lower levels, with declines outscoring rises by 96 to 75 in the French section. The easier tone was partly on technical influences, since yester-day was Settlement Day for the monthly trading Account. Rowever, the weakness of the French franc continued to undermine sentiment. At yesterday's official fixing, the franc fell

and Dutch guilder were pegged at their EMS ceilings. Most chares moved further rights to stock of the Banks and

to its lowest-ever level against the U.S. dollar, while the D-mark

active participation by foreign are being nationalised. Trading

#### Switzerland

In the market's best session The overnight Wall Street rise added sentiment, while there was also a continuing confidence that

Gold shares stoged a freely raily in heetic short-covering actualty, induced by the Builton prace's recovery to around the U.S. 330 level. Heavyweight producers gained up to R3.50, as in Harties, 250 on

Other Minings and Financials results. Industrials were mixed with an easier bias.

After recouning further ground in response to the sharp overnight Wall Street rally, Hong Kong stocks receded to finish slightly easier for choice on the day. Trading remained light.
The Hang Seng index recorded a fresh improvement of 10 points before closing a net 2.01 down at 1,221.18. Turnover amounted

to HK\$175.76m on the four exchanges, against Monday's HK\$144.08m.

Brokers said that they still see some upside potential for the market even though a large upward break is still unlikely. their EMS ceilings.

Several major earnings reports
Tuesday's session was historic are due later this week and o in a sense, since it was the last investors will be scrutinising day for forward trading in the these especially the expectations for 1982, brokers added...

112	CANAD	A		BELGIUM (	continued	i) .	HOLLAND			AUSTRALIA	`··	•	JAPAN (con	tinued)	
ia Sg	Stock	/ M	lar.   Ma 12   19	r. Mar. 23	Price Frs.		Mar. 23	Price	+ or	Mar. 25	Price	+or			1 + or
3 <sub>1</sub>	AMCA Int I	19	9 183	Petrofine	4 370	+60	ACF Holding	Fls. 77	<del></del> -		<del>-</del>		( <del></del>	<del></del> '	ــنــا-
	[ Abitibi.	. 16	35. i 101.	Royale Belge Soc. Gen. Ban	5,380	+ 180	I Anoid	79.7	+2.2			1	Kubota Kumgaal Kyoto Geramk	1 3.290	1 + 30
5 <sub>8</sub>	Agnico Eagle, Alcan Alumin, Algoma Steel,	2:	334 225	Soc. Gen. Belg	a 1,458	+20	AKZO	) 288.5	+4.5	Ampor Pet	1.53		Maeda Cons	268	+1
7 <sub>6</sub>				Tracton Elect	2,050	+20	AMEV AMRO Bredero Cert	80.5 50.8	-0.2	Audimoo	0.10		Marubeni	301	
12 3g	Bk. Montreal Bk. Nova Scot Basic Resource	is, 2.	54   224 35   2,30	LICE	1.890	+5	Boss Kalis Buhrmann-Tel	196 65	+2.5	Aust Guarant	2,12	+0.02			-1 -5
1g 1g	*	• -		Vicilia Mont.	1.720		Caland Hidgs Elsevier NDU	41.9 34.8	3	Aust Paper Bank NSW	T An I	10.01	Marui Matsushita Mta Elec Work	1,040	+45
	Beil Canada Bow Valley BP Canada	' 14 ' 26	124 3, 253	DENMARK			£ CNN IR	115	+5.6	Blue Metal Bond Hidgs		+0.01	M'bishi Bank M'bishi Goro	500	-9
3g 5g	Brascan A Brinco B. C. Forest Cil Inc.	20	70 4.70	}	1	1.	Gist. Brocades	⊑	   +1,4	Borai Bi ville Copper Brambies Inds	2.25 1.15	+0.85	M'bishi Elect M'bishiRi East	249 452	-1 - -1 -
5g 1 <sub>4</sub>	B. C. Forest	24	38 912		Price %	+or	Heineken	54	+1	Brambies Inds Bridge Oil	2.03	_n ne }	MSHI	1 200	+1
Ц	Camflo Mines	11	10:1944 56:111		125	********	Hunter Dougle int-Muller	207	-0.4 +1.6	IRUP '	1745	3	Mitsul Co Mitsul Ri Est Mitsu-koshi	600	+4 -5
<b>5</b> 8	CEMBRE	· 9	58 į SV <sub>4</sub>	Baitica Skand CopHandelsba	nki 127	-2	Maarde's	111.5 28.9	+4,8	Brunswick Oil			NGK Insulators. Nippon Denso	469	-1 +2 .
18	Can N W Lands Can Packers	29	29	D. Sukkerfab. Danske Bank. East Aslatic	1 340	-2,6	Nat Ned cert Ned Cred Bank	- 197.1	+2.1 +0.2	Cariton & Utd Castiemaine Tys. Cluff Oil (Aust)	3.12 2.05 3.30	+0.05 i	Nippon Gakki Nippon Meat	1 700 1 380	<del>-</del> 8
بر اع	Can Trusco Can imp Bank,	j 26	4 265g	Forende Bery	ia.) 608 l	+1.4	Ned Mid Bank., Ned Lloyd	117.5		Cluff Oil (Aust)	0.45		Nippon Oil Nippon Shinnen	1,050	-20 + 14
¥	Can Pacific Can P. Ent Can Tire	31 16	년   30년 58   16년	GNT Hidg	272,2	-8,4	Oce Grinten Ommeren (Van	N_I 275I	+0.9	Do. Opts Cockburn Cemt. Coles (G.J)	IIUXI		Nippon Suisan	215	+1
ig ig				Nord Kabel	141	-3.5	Pakhoed	1 23 31		Costein	1.50		NTV Nissan Motor	4,450	_9
íg L	Chieftain	- 47	28 4658 1514	Novo Ind Papirfabrikke	.   92	+4	Rijn-Scheide Robeco	24 214.5	-0,2 +2.5	Crusader Oil			Nisshin Flour Nisshin Steel	i 335 i	++ 10
54	Cons Bathst A. Cont. Bk. Canac Coseka Resrc's	ie 7	36 714	Privatbanken. Provinsbanker	i:   1134		Dademan	1 100 6	+0.9	Elder Smith G M Endeavour Res.	4.15		Normura	1 43R	-7 +5
	Costain Daon Devel	_i 7:	5a 71e	Smidth (FI) 5. Berendsen	1 607 1	+0.8	Rollingo	147,3	+0.5 +0.4	Gen Pro Trust	1.56		Olympus Orient	. 869	-5 -10
وا دا	Denison Mines	( 22:	213	Superfes	108,4				+0.5 +7	Hartogen Energy Hooker ICI Aust	1.22 i	+0.02	PiOR661	1,450	+20
8	Dome Petroley	-	0	FRANCE			Viking Pee	154.8	+3.6	Jennings	1.17	[i	Ricoh	550	+8 +11
	Dom Foundries Dom Stores	À 343	5a   344⊾	1.	- 				+0.8 +1.6	Jones (D) Kla Ora Gold	1.85	-0.05 +0.01	sapporo Sekisui Prefab	246	3 +5
4	DomtarFelconkichti	183	185g	Mar. 23	Price Frs.	+0	VNU	28.3	+0,2 ?	Leonard Oil	0.21	-0.01 S	Sharp	702	+ 5
8	Genstar	: 181	176-	Emprunt 448 16 Emprunt 79 18	78 1,848	+9		. 12		Meekatharra Ma Meridian Oil	7001	+0.12	harpihisiedoihisiedoihisiedoiiniiniiniiniiniiniiniiniiniiniiniin	3,140 346	+ 100
	Guif Canada	; 123	i 121a			+25	ITALY		·	Monarch Pet	0,10	+0.0112	'albei Denove	287	+1 -2
:	Gulfstream Res. Hawk Sid, Can.	10:	a ; 1148	Aguitaine	_ 457 117	+ó,a,	IIALI	, ;		Myer Emp Nat. Bank	2.50 /	+0.02	aisei Corp aisei Corp aisho Pharm	279 594	+1 -7
	Hollinger Argus Hudson Bay Mr	L. 261	a   251a	BIC.	; 199,0	-2.5 -4	. Mar. 25	Price	<b>+</b> or 1	News Nicholas Kiwi	1.90 1.25				+50
•	HUNDAN'S BAS	1 204	g   201 <sub>2</sub>	Bang' Rothschi	203.5	+1.4	Assicur Genna	Lire	[	North Bkn Hill Oakbridge Otter Expel	1,25   .		DK	i 216 i	+80
.	Husky Oil		2 4812	BSN Gervals Carrefour Club Mediter	1,350	-i	Assour Gen Валса Com'le Bastog! Fin	152,850 68,300	-000 1	Parcon	0,50   . 1,80   .		elkoku Oil B\$	445	15
	Imp OilA		145			-2 (	Centrale	5.799	+9	Pan Pacific Pioneer Co	1,30   .	{+	okio Manne	460	+3 '
:	Inter. Pipe	니 151 나 151		CGE CSF(Thomson)	510	+3 [	Credito Varesin	. 1,920	60 !	Queen Marg't G. Reckitt & Coin	1,88	"~~; <sup>}</sup> †	okyo Gas okyo Sanyo	: 455 I	—2°
	Mac Bloedel	1 211	   214a			- 23	Finelder Invest	. 3 180		Santos Bleigh (HC)	0.68		okyu Corp oshiba	1 709 1	-5 +2
1			4   91 <sub>4</sub>	Gie Bancaire Cie Gen Eaux Cofimeg CCF Creusot Loire CFP DNEL Dumez Gen, Occidenta	289 115,5	-9,8 -0.5	taicementi taisider. Montedison	1204		Property Survey	0.20 i .	-0.81 <del> </del>	OIU	411	San Haris Participan
	Massey Ferg Meintyre Mines Meriand Explor	30 54	2914	Creusot Loire	261.6 - 70	+0.8	Montedason	2,950	·	rnos. Natwide		+0.0i	Cycle Motor	. 899 J.	+ 5 + 10
	Moore Corp	2579 377	2178	DNEL	44	_1	Divetti Perelli Co Pirelli Spa Sniz Viscosa	1,525	<u>-4</u> 5 };	Valient Conede	1,55	÷0.01 Ÿ	amaha	715 699	+1 '
	Nat. Sea Prods Noranda Mines	A. 679	1 B7n	GenOccidenta	1,101 L 376	—13 ——13	foro Assic do. Pref	18,200		Valtons	מקים	Y	acoai amaha amazaki asuda Fire okogawa Boge	530 236	
. ]	Nthe Toleran			prfora	224-2	+3.5 -0.2		110,000		Woodside Petrol Woolworths	0,79   -	-0.02 · T	okogawa Sdge.	531	+6
ĺ	vakwood ret, Pacific Copper	. 74	674	Legrand	842	+19 -18	VORWAY		· · · ·	Yormald Intl		-ō.ŭi }S	INGAPORE		
-1	Pan can Petrol Patino	. 573 <sub>2</sub>	2010	Machines Bull Matra Michelin B	1215		•						Mar. 23	Price 1	- of
	Placer Dev Power Corp Quebec Strga	. 123 124	12 113	Most-Hennessy Moulinex	. 528 .	+16	Mar. 25	Price -	- or   t	HONG KONG		-	oustead Bhd	2,23	
- 1			1.90	Desilhes :	1 710 -	-0.6  - +0.3	ergens Baks	110.0	-0,5	Mar, 23	Price +	. or   C	old Storage	3.88	- 73.05 - 0.10 - 0.19
	Ranger Oil Reed Stenks A	. 12k	65a	Pechiney	. 128.1 7 328		orreguard		-i''-		H.K.S				Ö,4š
	Zio Algom	77	1 221	Pougeot-S.A.	173 185.5	-0.2	NOTE:	385	+1	osmo Prop		in	theape Bhd alay Banking	2 05	-0.65 -0.16
1	Royal Bank Royal Trustce A Coptre Res	133	131 <sub>2</sub> 578	Radiotech	. 276	-5.5 N -1 S	orsk Hydro Lorebrand	316 227.5			115   -	-1 ' Ö	CRC	77 } *	_
	leagram theil can Oil teel of Can A	521g 151g	164g	Rhone-Poulanc.	. 125 i .	0,8	• .		<u>                                   </u>	X XOULDS- US-	4.6		1116 DALO3 """"		0.81 1,2
1			2358	Roussel-Uolaf St.Gobain Skis Rossignol	180	U.3	WITZERLAND	•	H	K Shanghi Bk	14.9 +	0.05 ST	DB	41	0.02
	eck Bexaco Canada	20	778 244	Suez Telemech Elect,	486.5	2.5	Mer. 23	Price +	_or	Erdine Mesh	14.6   _	0.1 S	OUTH AFRICA		Ž.
ĮΤ	homson News A oronto Dom Bk.	2812	23 284	1 nowton Ristrat	317   +	2	· ·	Fra.	!6	BW WOULD DEAT	4.05			1.	
[7	ransCan Pipe rans Mntn. Oil A	23 la	2314	Valeo	225 +	<u> </u>	usuisse own Boveri	575 + 980 -	. 15 a	Wire Boo A	6 Z i	0.05 0.3	Mar. 25	Price 7 Rand	2
N	td. Sisco Minesi /alker (H) Resi	165a	4.10 155 <sub>8</sub>	GERMANY		G	o (Part Certs)	1,250° ±	20 W	heel's Maria	5.7 <u> </u>	0.1 0.85 A	ercom	9.9 6.9	σī
4 W	estcoat Trans eston (Geo)	1.376	1334 354	Mar. 23		· or E	ektrowatt	2 275	10 W	orld int. Hidgs.	2.57	U.U.Z : PU	& Cl	11,6	Œ.
-				LEO Total			FCROF (Geo)	490 +	i no.	APAN		An	ISIO AM GOIG	2.4	en en
İ			14	EG Talef	465 +	3 (HA	int-Koche 1/10	5,900 +	75 50			I Bu	riow Rand	41.5 +	0.1 2
			11	ASF	123.9 +	0.6	ndis & Gvr.	1,185 +	25	Mar. 23	rice + You -	ar 👸	A Invest	· 6,5   2,30	گومبرد. گاههجو
l		_	- 11	ayer-Hypo Bayer-Verein	287   _	2.0   No	stie	3,230 T	65" 7	linomoto		De	Bears		0.02 0.25
	-	-	4.5	HF-Bank	214 I L	= - 1PH	r-Buhrlie		. 12	Sehi Close	559   +	20 DF	lefontein Geduldi Id Fialds 5A	32· +	0.75
A	USTRIA			rown Boveri Ommerzbank	218	0.5 Sa	ndoz (Pł Cła)	4,250 +	8 .C	luon	669   + 413   + 750	~ : (7)6	20YOKO 2000	3.85' +	1.5 0.05
	Mar. 25	Price	. 10	onti Gummi aimier Benz	51,5  +	0.7	ningier (PtCts)	240			275	[ Hu 		31.5 . +	0.26
_		3	- I	egusea	246,5 +	i sw	HE BENK.	700	6   Di		470 J	Ş Na	Bazaare	16.75 -	0.95- 0.85
Cr		218 190	-1 10	emag 'sche Babcock.		a a liini	OR BORK		30 Da	I wa Mules	659   + 875   +	4 Pn	otea Hidgs	2,45 +	0.66
re.	rimoser	263		outsche Bank U Schult		J.Z. E 1111	rich ins	Q SAAS	20	Signature Sign	360   430	Re Ru	nnies	4.20 -	0.06 0.1
30	TYT Daimler I	160		resdner Bank	159.6 202,8	J. <b>&amp;</b> \$		4,700  4:	160 : Eli Fu	J Bank	849 +	44 (48)	Brews	2.65 4.25 +	i pi
re	itacher Mag:	190	' "	anað moag	64	1 5W	/EDEN		Fu	il Bank	270   +	aŲ ≀Tig	er Oats	15.6   +	0,70
				oechst	123.7 +0 26.1		Mar. 23	. 1.	Fu Gr	Jitau Fanuc 4,9 een Cross 1,3	700 +	<u> </u>	30G		
			. Iñ	orton	433 +3 117.5 +2	5		Price +	or Ha - He	segawaiwa Ri East	62 +		naucial Rand (Discount o	(: 0356) (: 23%)	
			R	rstadt	167 +1 195,5 +0	LAC	A	214	(Si)	Debi Kali		. lab	AZIL	-, <b></b>	. (
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øt.	LGIUM/LUXEN	1BOU	I N	ocekner	65 + 2	A Atla	the Copper	390   <del></del>	Ho	ya	180   +3 178   -1			TUZ +	
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Вал	q int A Lux	,420 ,950	KII I MI	rcodes Hig	146 +1 257.8 +0	4 Ess	PICO(Free)	133   1	170 170	2,3	70 —1 45 +2	O Bel	ES AMOP	8.50	i i
=eK Cim C-	aort B 1 ent CBR 1		+35 IM:	IABAH RIUSE 🗀	340 + 3 588.5	5 For	Dale Down	12	Ka	ya (c) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d	67 +7 41 +1	Pet 1 Sou	robras PP za Cruz	10.00 -0	闪河
EBE	Kerill 1	189 955	‡\$   Pr	8USSBQ	196   🟋	- / :	b-Skania	42 +2 35	Kal Kik	koman	82 +3	Ши	Rio Doce	2.50	
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6 ISL	(BruxL) 1	440	10 1	men  2	318   43.	1 SKF	B 1	18 -2 32 -1	Kor	natsu Fift 4	97   <del>1</del> 2	,	Turnover: 421. Volume: 155		· •
dor	tert	SDO -	-9 Va + 100 Va	rtaba	184   +0, 131   +0,		Handelabn 1	00 -1 06 -2	Kor		iá   iš		west Rio de J		§ 1.
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Chemical Cheese P Chicago P Chicago P Chivalor Cinoinnati Cittorp Oitles Sen Oity Invest Clark Equil Clave Cliff Core x Cluett Pea Coca Cola Cola Cola Cola Cola Cola Cola Cola Te Pa Colins Alki Colt Inds	Mil	51 35 36 14 56 15 15 15 15 15 15 15 15 15 15 15 15 15	51 33: 14: 445 26: 26: 26: 21: 24: 125:	George Goog Goog Goog Goog Goog Goog Goog Go	en Tele in Tire in Tir	Paris. Page rod ewis. (BF) Tire	351 17 351 283 283 283 181 191 2154 2154 2154 2154	18 1 3 2 4 4 1 1 1 2 2 3 3 4 4 4 8 8 8 4 4 4 8 8 8 8 8 8 8 8 8	29 12 19 59 4 59 13 78 13 78 13 78 13 14 13 15 13 15 14 15 15 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18	McE McG McG McG Mcd Med Med Med Med Mer Mer Mer Mer	le Geni tronic on Neti .	JR0 2334 651s 2001g 3414 8001 2812 49 49 201s 3534 3534 4534 4534 6012 74 541s
NEW		,	i	_DO\	die	s		981-8		Since	Cmpil't	
	Mar. 32	Mar. 19	Mar. 18	Mar. 17	Mar. 16	Mar. 15	High			High		- 1
eindustr' is H'me Bnds.	58,35	58,51	58,31	58,42	58.67	68.39	(27/4) 65.78	(B	5,47 /3:82) 4.99 /10)	1061,70 (71/1/70	41.22 0 (2/7/32)	AUSTRAL All Ord. ( Metal & l
Transport Utilities							447.8	8 / ŠI	4 75	447,88 (16/4/8)	12,25 () (8/7/82) 10_5 () (28/4/42)	AUSTRIA Credit A
Trading Vol	- 1	1 1		48,900	i		(6/1/81	0 (2	8/9)	(29/4/ 65	) (28/4/42) ¦	BELGIUM Belgian S
éDay's high	ı		i	ı	1			'	-	_	_	DENMARI Copenha
Ind. o	iiv. yle	FG &	;_ <b>A</b>	far. 19	Ma	r. 12	Ma	r. 5	Yes	27 ago	(a pprox	FRANCE
				6,92	. 6	.99	6.	90		6,	58	GAC Gene Ind Tands
STANDARD	. 1	1	Mar.	Mar.	Mer.	Mer. 15	19 High	81-89			mpli't'n	GERMANY FAZ-Aktie Commerzi
Indust is	125,27	122,74	122,48			121.48				High 160.96	1.6W	HOLLAND ANP-GBS (
Composite	12,77	110,61	119.50	108_08	- 1	193,45	(6/1/8) 138, 12 (6/1/8)	) (8/5 187	/82) (2 5 4	8/11/80 140 59	(68/8/82) 4.449	I HONG KON
ind. div. yield	   <b>%</b>		Mar	. 17	Mar.	10	Mar,	3	Year	ago (	approx	Hang Sans
			<del></del>	.08	6,0		5.00		· ·	4,54		Bança Con
ind. P/E Ratio			·[	.14	7.3 13.1	<del>-</del>	7.42	∤	·	9,41		JAPAN Dow Avera
NY. S.E. ALI							Rises	end i		11,9	Mar.18	Tokyo New NORWAY Oslo SE (1/1
Mar.   Mar.   M 28   19	lar. M	ar.	1981 lìgh	-82 Low	Riges		led.,.	1,86 1,19	1,8	45 40	1,843 1,011	SINGAPORI Straits Tim
4.85 65.62 63	,46 <b>6</b> 2	.74 75 (6)	9,14 (1/81)	62.03 (8/6/82)	New	anged Highs Lows		30: 35: 30:	3   4	10 10	407 425 7	SOUTH AFR Gold (1968) Industrial (1

TORONTO Composite 1622,1 1584,0 1672,8 1648,7 2330,66 (19/7)

26% 40% 59 31%

Stock traded . 543,800 . 471,800 . 488,700 . 455,300 . 434,900

price 12% 27% 28% 24% 38%

		• ;			·	
	Mar 23	Mar 82	Mar. 19	Mar 18	High 1	981-82 Low
AUSTRALIA Ali Ord. (1/1/80) Metal & Minis. (1/1:80)	470.2 882.1				787.6 (6/4) 765.2 (7/1/81	455.8 (10/8/82) 822.4 (18/6/82)
AUSTRIA Credit Aktien (2/1:82)	55.4	18 55,4	2 65.62	55,8	6 86,45 (6/1/81)	55,45 (22:5/82)
Belgian SE (61/12/65)	25.9	2 94.7	0 34.61	32,8	1 101,59 23/2/8	c) 69,55 (16)6)
DENMARK Copenhagen SE (1/1:75)	121.4	7. 122,9	122.6	122,8	126,22 (62/2/	95.88 (2/1/ST)
FRANCE CAC General (29:12:61) Ind Tandance (61,12:81)	99,6 175,7	98.7 115.5	96,90 718.5	88,8 114,1	112,5 (17/5/81 124,8 19/2/32)	) 77.5 (15/6) 87.7 (4/1/82)
GERMANY FAZ-Aktien (61/12/68) Commerzbank(Dec 1853	257,64 726,9	285.74 717.1	285.85 712,25	252.80 719.4	245.47 (5/2) 739,8 (2/7)	215,86 (9/2/61) 966,4 (18/2/61)
HOLLAND ANP-CBS General (1970) ANP-CBS Indust (1970)	88.4 70.4	88.9	85.90 68,90		98.8 (20/8) 78,4 (22/6)	78,5 (29/8) 81,4 (22/12)
HONG KONG Hang Sang Bank (31/7/64	1221,18	1925, 18	1297.21	1168.28	1810.20 (17/7)	1115,77 (S/16)
TALY Banca Comm Ital,(1972)	208,39	219,16	212,68	211.51	282,03 (8/6)	198,44 (24/7)
IA PAN** Dow Average (15/6/48) Tokyo New SE (4/1/98)	7097,80 660,67		7985.38 829.02	7952,80 529,88	8018,14 (17/8) 602,92 (17/8)	9888.56 (17/6/82) 485.78 (6/1/81)
IORWAY Dalo SE (1/1/72)	114.66	115,94	114,04	118,28	145,72 (6/8)	110.84 (8/8)
INGAPORE Traits Times (1985)	780.02	719,71	711.88	707,17	975,28 (28/6)	687.49 (3/8/82)
OUTH AFRICA iold (1966) idustrial (1953)	(u)	459,8 676,9	(u)	444,7 580,2	787.5 (7/1/81) 711.7 (8/1/82)	411,2 (8/3/82) 587,2 (3/2/81)
PAIN ladrid SE (\$0/12/61)	101.81	(c)	(c)	102.72	107,45 (9/2/82)	89.17 (5/1/82)
WEDEN acobson & P. (1/1/68)	605.06	608,92	806.52	887,48	Ann 24	404.17 (28:1/81)
WITZERLAND Wiss Bank Cpn,(61/12/66):	256.9	250.0	246.8	244.1	774.0	242.5 (11/6/82)
ORLD Ipital Intl. (1/1/70)	_ [	131,8	8,95	180.6	182,8 (5/1/81)	129,1 (17/8/82)
(**) Si Base values of all inc O: NYSE All Comon— st named based on a					TSE (c). Is All Ordinary to: and Toron	y and Metale—



### EEC boosts tin pact hope

BY OUR COMMODITIES STAFF

Agreement was generally wel. Agreement, Australia has urged Industry leaders were puzzled comed yesterday. Mr Peter Lai, the U.S. to reconsider its deci- by reports that the EEC wanted executive chairman of the sion not to join it.

International Tin Council, said At the end of a visit to the move greatly enhanced Malaysia vesterday, Mr Anthony prospects of the pact coming said he would approach the U.S. into force as scheduled on authorities to persuade them to July 1 and Australia's primary join. He felt U.S. participation industries minister Mr Doug was crucial if the sixth ITA was Anthony said he was surprised the decision had been made so

On the London Metal Exchange the move helped to encourage a £37.50 rise in the cash tin price to £7,235 a tonne. This also parely reflected expectations that export quota cuis would be agreed at the ITC meeting, reconvened yesterday. The meeting was adjourned on Friday after the buffer stock manager suggested restricting exports by around 4.500 tonnes during the period to the end of June and raising his purchasing from 27,000 to 42.000 tonnes.

Anger over

potato prices

wool and

was crucial if the sixth ITA was

to be effective.

"The U.S., with its huge tin stockpile, could wreck any Tin Agreement if it disregards producers' interests," he said. During talks with Malaysian leaders Mr Anthony was asked to use his influence to get the EEC and the U.S. to ratify the

ITA. He said Australia did not countries, but warned that talk of such an association at this stage would defeat efforts to get the U.S. to join the Tin Agreement. There was no immediate

2.000 tonnes.

Malaysian Government reaction producers and consumers to be Wong Sulong writes from to the EEC's decision, but the operational in July.

THE EEC's decision to join Kuala Lumpur: Following the mining industry expressed quali-the sixth International Tin EEC's decision to ratify the fied approval of the move. a commitment by producers not to manipulate the market. although it was not clear what form this undertaking would

> "The EEC can either ratify or refuse to. There is no way to change the terms of the ITA now," said the industry spokes-

take.

"The last six months had seen many breaches of the Tin Agreement, in spirit if not in deed, hy both sides," he added, Malaysia has informed Mr Anthony that it wants to advance the meeting of tin mining Ministers scheduled in Tages in Sentember to lete June. rule out its joining the proposed Lagos in September to late June. association of tin-producing This will ellow the tin producing countries to discuss the future arrangements for tin if the ITA fails to get sufficient ratification on Apr<del>i</del>l 30.

The agreement needs at least 65 per cent votes from both

### More foot and mouth in Denmark

BY JOHN EKELAND IN COPENHAGEN

A NEW CASE of foot and exhibition. mouth disease in Denmark was confirmed yesterday in the same Fears that the disease had spread to the eastern part of the country were calmed yesterday afternoon, when laboratory tests of a suspected dairy herd of 150 killed on

Tuesday showed no signs of foot and mouth disease. A suspected case on a flock of five sheep destroyed Monday in the vicinity of the first reported case on the large island of Funen also turned out to be a false alarm. The sheep were killed after discovery of typical symptoms of the disease.

The authorities have widened the zone of observations and restrictions on Funen after the now a strong possibility that second case was confirmed yesterday on a small stock of the price paid by the Wool Board to producers for their 20 cattle and pigs. A planned farm exhibition in Odense yesterday was cancelled, even though there are no animals 73,000 tonnes of fresh frozen that the farmers from the 29,000 in 1981) accounted for

The discovery of foot and mouth disease in Denmark is region. Funen, where the first a hard blow to Danish meat case was discovered last week. main export countries, including Japan and the U.S., have immediately stopped imports. and the Danish Meat Export Association, ESS-Food, on Mon-day lowered Danish domestic prices for pigmeat to promote

domestic sales.
Richard C. Hanson writes from Tokyo: The outbreak has brought to an indefinite halt one of the EEC's most successful exports to Japan. Last year Denmark jumped into first place as the leading foreign supplier of pork to Japan, with exports valued at DKr 1.8bn, or more than half Denmark's total exports to this country.

Denmark had edged out by a wide margin both the U.S. and Canada, the two countries which stand to gain most if the ban continues for some time. Japan imports about 10 per cent of its ducers should concentrate more that the farmers from the 29,000 in 1981) accounted for on marketing, than rely on a stricker area might spread the a nearly 40 per cent share of fixed price.

#### Farm bank offers loan to Russia

By Nancy Dunne in Washington

THE SOVIET UNION, busily buying grain on credit, has reportedly found a new banker; the Central Bank for Co-operatives in Denver. However, a spokesman for the Farm Credit Administration, the Washington regulatory agency for the American farm hanks, insisted yesterday that the purported \$6.5m loan for the purchase of 50,000 tonnes of American maize has not

been formally approved. "There are still technicalities to be worked out," said Mrs Christine Quinn of the Farm Credit Administration.

Mr Wayne Anderson, vicepresident of the Denver Bank, said the only remaining technicality is documentation by the Soviets to be presented to the bank's international legal

.The granting of credit to the Soviets has been criticised by som cReagan Administration officials who see it as strengthening the Russlans at a time when they should be punished for their role in the Polish repression and their invasion of Afghanistan, Howinvasion of Argnanistan, how-ever, the farm banks estab-lished specifically to help farmers and farm co-opera-tives, are anxiously seeking ways to increase exports.

" Agriculture conditions are at an all-time low," said Mr Anderson. "If the Russians happen to be the only ones buying, we will do our best to belp sell to them."

That lean, at 15th per cent interest for 150 days, was granted at the request of Agri Industrians, an Iowa-based cooperative which represents 130,000 farm families in eight states. It is the first export loan granted by a farm credit hank, a transaction made possible by a change in federal laws last year.

System officials say more export loans are under consideration, and some could be to the Soviets.

The Soviets have bought 13.3m tonnes of U.S. grain since October 1. Senators Robert Dole, a Kansas Republican, and Roger W. Jepson, an Iowa Republican, met Soviet Ambassador Anatole Dobrynin last week and as 2 result of the meeting say they are convinced that the Soviets will buy all 23m tonnes offered them by Mr John Block, Secretary of Agriculture, last autumn.

#### **FOODGRAINS**

### India looks to a record harvest

BY RICHARD COWPER IN THE PUNIAB

INDIA SEEMS set to achieve duction fall by an awesome 22m pect that India will achieve a 42.5m tonnes, slightly below the an all-time record in foodgrain tonnes in 1979/S0 to 109.7m record wheat harvest of between record 42.6m tonnes achieved in production in 1981/82, barring tonnes, pushed foodgrain stocks 37m and 38m tonnes by the unforseen weather or disease disasters in the next few weeks. This should bring the country 2.3m tonnes of wheat from back to a state of foodgrain self- abroad last year. This was the sufficiency after one of the first time that India had worst droughts of the century imported foodgram since 1977. to buy on the world wheat market last year for the first

time in almost half a decade. With around 60 per cent of the year's foodgrain harvest already in, and an above average outlook for next month's vital wheat crop, the Government is predicting total foodgrain pro-duction of around 134m tonnes in the 1981/82 agricultural year. This is 4m tonnes up on last year's production of just under 130m lonnes and 2m tonnes more than the previous all-time high of 132m tonnes recorded in

"The Department of Agri-on the world market later this culture is expecting an outturn year will very much depend on of 134m tonnes or more this year provided there is no unseasonable weather or restore us to normalcy, said the covernment should have no Dr H. L. Chawla, the senior great difficulty in procuring economic and statisfical adviser around 7m to 5m tonnes, push-

With record production of 17m tonnes.
both wheat and rice in the In spite of offing, the Indian Government of cold and wet weather in the should be able to build up its run up to this year's spring foodgrain stocks to safer levels wheat harvest, government this year. The 1979 drought, officials and agricultural experts which saw total foodgrain pro- say there is now a good pros- around 2m tonnes in 1981-82 to

to their lowest level for six time the crop is harvested at of these crops continues to be years and eventually forced the Government to place orders for would represent an increase of 2.3m tonnes of wheat from at least 500,000 tonnes over

the end of next month. This last year's outcome of 36.4m lonnes.

in 1979 pushed 1980 year end. The government has is known as the granary stocks to a dangerous six-year announced that it plans to India and which accounts low and forced the Government export around 600,000 tonnes of more than 20 per cent of India is known as the granary of more than 20 per cent of India's rice in 1982, but whether it will total wheat production, govern-

#### INDIA'S FOODGRAIN PRODUCTION

	(m to	nnes )		
Year*	Wheat	Rice	Others†	Total
1978- <b>79</b>	35.5	53.8	42.6	131.5
1979-20	31.8	42.3	35.6	109.7
980-S1	36.4	53.2	40.3	129.9
1981-82‡	37.5	54.4	42.5	134.4

The Indian agricultural year. † This includes pulses and coarse grains.

play sate and order more wheat ment officials and university government domestic procure-ment of wheat over the next or few months. Total foodgrain disease in the next few weeks. stocks are currently around 10m We now expect that after two tonnes, and if the next months' very rough years 1981/82 will wheat crop meets expectations, to the Department of Agri- ing total foodgrain stocks to a culture. Comfortable level of around

In spite of an unusual spate

experts are confident of a record crop. Dr K. S. Gill. Dean of Agriculture at the Punjab. Agriculture University, a man who played a leading role in India's Green Revolution, says timely sowing, generally good weather and an increase in inputs should push the Punjab's wheat crop up to a record 8m tonnes provided there are no last-minute natural disasters. This would represent an increase of 300,000 tonnes over last year's Punjab wheat crop of 7.7m tunnes.

Coarse grain (barley, maize) and pulse (lentils) production is expected to increase by

1978-79. However, production disapprinting, with average yields in many cases unchanged for several decades. The Green Revolution has hardly touched these crops at all and they have In the Punjab, the state which accounted for a declining proportion of India's total food-grain production over the past 20 years. In 1960-61 pulses and eoarse grains represented 46 per cent of India's foodgrain production. Last year they accounted for just 31 per cent.

In the past two decades wheat production has trebled while rice output has increased by more than 50 per cent. In contrast production of coarse grains and pulses has increased

by a mere 16 per cent. However now that India has achieved what most inter-national experts say in basic foodgrain self-sufficiency the Indian Government is beginning to look at ways of improvings. yields and output in areas outside wheat and rice.
Though these efforts are likely

to be largely concentrated on expanding the country's production of utleeds to replace fastexpanding edible oil imports, at least some effort is expected in pulse; and coarse foodgrains, Over the next decade the biggest increases in foodgrain produc-tion are still expected to come from wheat and rice as a growing proportion of land under these two crops is irrigated, but Government research establish- ? ments and extension services are expected to devote a little more attention to pulses and coarse grains which should show through in production gains later in the decade.

#### Soviet meat output falls

WASHINGTON - Meat produc- The report said cattle stocks tion on Soviet state and collec- were 594,000 head above last tive farms in the first two year while hor, sheep and goat months of 1983 ran below last year's output in all livestock increase in poultry numbers has products. except poultry, the slowed, showing the U.S. Agricultural Counsellor in short feed supplies. Moscow said.

In a March field report released yesterday, he said total meat production in January and February of this year was 5 per cent below the same 1981

Beef and pork production were down 7 per cent and 8 per cent respectively, and both total milk production and yield per cow were 5 per cent below 1981 levels, it said.

numbers fell. slowed, showing the effects of

Average live weights for cattle and hogs dropped again in the January-February period, the report said. Meat production is expected

to continue to run under a year ago, with little chance of any significant upturn in meat and/ or dairy output until pastures green up or green chop feed becomes available, it said. Reuter

#### Manioc import queried

mission is investigating possible pean traders suspected of would make a considerable importing manioc flour from saving, the Commission said. Thailand into the Community as manioc pellets, EEC Commission the Commission, however, is that

manioc flour and pellets.

on Tariffs and Trade (GATT), attracting only a nominal levy, while manior flour is subject to a much higher import duty, the

If manioc flour was declared

One of the problems facing imports of pellets always con-The investigation, which is at tain a certain amount of flour the preparatory stage and is created by breakages among expected to take some time to those pellets. Just how large expected to take some time to those pellets. Just how large complete, centred on the two a proportion of such flour in such shipments was allowed was

They declined further combeyond saying the Commission was looking into the trade on a European-wide basis.

#### BRITISH COMMODITY MARKETS

London Metal Exchange, Copper rose to close at 1995.5, reflecting strength in gold and selver, while merchant buying and bear covering lifted Tin to £7.450. and bear covering enter in the 17.450. The come under pressure on news that Managemeliachett and Praussag had cut us producer price from \$500 to \$800; three months closed at £433.5. Lead was finetly £343. Chartest selling, tro-

that in the morning cash Higher Grade brided at 8842.50, three months \$870.00, 71.00, 70.50, 71.00, 71.50, 72.00, 71.00, 70.50. Cathodes, cash £840.00, three 70.50. Carthodes, cash ESQU.00, three months £567.00. Kerb: Higher Grade, three months £871.50, 72.00, 72.50. Attampon: Higher Grade, three months £873.00, 72.50, 72.00. Standard Carthodes, three months £868.00. Kerb: Higher Grade, three months £872.50, 73.00, 74.00, 74.50, 74.00. Turnover: 13.350 pones.

Cash.....555.5.4.5.+1.25.533.-5.+25. Symonths 343.5.4.5.+1.75.345.4.+1.25. Settlem't, 334.5.+1.5.\*\*27.52..... Lead-Morning: Cash E333.50, three months £344.00, 43.00, 43.50, 43.00, 44.00, 44.50. Kerb: Three months

Turnover: 8,500 tonnes. TIN Official Unofficial

High Grade & £ £ Cash..., 7230-40 +92.5 7230-40 Samonths, 7450-5 487.5 7470-90 +72.5 Settlem't -7240 +95 

Tin-Morning: Standard cash £7,230, three months £7,410, 20, 25, 30, 40, 45, 50, 65, 80, Kerb: Standard, three months £7,450, 45, Afternoon: Standard Cash £7,235, 40, three months £7,450, 65, 60, 50. Kerb: Standard, three months £7,455, 60. Turnover: 745

Zinc—Morning: Cash £431.00, three months £435.00, 36.00. Kerb: Cesh £431.00, three months £435.00, 34.00, 35.00, Afterwoon: Three months £437.00, 36.00, 35.00, 34.00, 33.50, 34.00, Kerb: Three months £434.00, 33.50, 33.00, 33.50. Ternover: 11,350 tonhos.

a.m. + or p.m. + or Official -Aluminm Epot ...... 560.1 -1.75 552.3 -10 582.5-3 -15: 574.5-5 -10.5

Aluminium Mormag: Three momins ESS,00, 83.00, 82.50, 83.00, 83.50, 84.00, 83.03, 82.50, 85.00, Kerb: Three months ES82.00, 81.00, 80.00, 79.00, 78.00, 79.00. Attendon: Three months £578.00,

## 2344.00. Aftermoon: Three months ## 27.00, 77.00, 78.00, 78.50, 75.00, 76.00, 78.50, 75.00, 78.50, 78.00, 78.50, 78.00, 78.50, 78.00, 78.50 a.m. + or p.m. + Official - Unofficial

> Spot. 3065 75 +5 3070-5 -12.5 5 months 3112 15 +8.5 3113-5 -12 Nicket—Morning: Cash 13,070, three months 23,130, 15. Kerb: Three months 13,115. Afternoon: Three months 13,116. 12, Kerb: Three months 13,110, 12,

\* Cants per pound. ‡ MS per kilo. † On previous unofficial close. SILVER

Silver was fixed 8.1p an ounce higher for spot delivery in the London buillon market yesterday at 339.95p. U.S. cent equivalents of the fixing levels ever: spot 721.1c, up 14.6c; three-menth 747.3c, up 15.5c; sixmonth 771.9c, up 14 3c; end 12-month 826.8c, up 14 2c. The metal opened at 353.386p (713-718c) and closed at 453.386p (713-718c) and closed at

SiLVER Builion + or L.M.E. + or per fixing - p.m. - Unoffic'i 8pot 399.95p +3.19 402.5p +9.5 5 months, 412.90p +8.55 415.75p +9.5 6 months, 425.10p +8.40 +8.40 +8.40 LME—Turnover: 116 (55) lots of 10,000 ozs. Morning: Three months 414.0, 14.5, 14.3, 14.5, 15.0, 15.5, 15.0, 15.6, 15.6, 15.8, 16.0, Kerb: Three months 416.0, 15.9, 16.8, Afternoon: Three months 416.0. Kerb: Three months 416.0.

COCOA

Futures remained steady as light short covering and further offiske among the industry checked the decline of the last week. Producers however continued to be withdrawn at current levels, reports Gill and Duffus.

1039-40 +1.5 1038-25 1044-45 +3.0 1050-35 1072-75 +1.0 1070-63 1100-01 -2.0 1193-93 1150-32 -1.5 1140-25 1159-50 -3.5 1169-55 1172-79 +2.0 1177-70 Sales: 2,727 - (3,550) tota of 100

tonnes. ICCO—Daily price lob March 23: 84.56 (84.61). Indicator price for March 24: 86.01 (87.01).

COFFEE

COFFEE.

Prompted by a late recovery in New York, London opened higher, reports Drexel Burnham Lambert. However, the failure to break recent resistance levels resulted in a retreat end desprite a steedy "C" market deeler profittaking prevented any rally.

Yesterday's Or Business
Done £ per tonne Soles: 4,142 (2,746) lotal of 5 tonnes, ICO Indicator prices for March 22; (U.S. cents per pound): Comp. daily 979 125.40 (123.60); 15-dey average

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: huyer, saller, business). Australian cents per kg. March 515 5, 516.5; 520.0-515.5; May 521.0, 521 9, 523.5-520.0; July 523.5, 525.0, 524.5-522.0; Oct 515.0, 518.0, 516.5-514.0; Dec 519.0, 519.5, 519.5, 519.0-517.0; March 524.0, 525.5, 526.0-525.0; May, 530.0, 530.0, BEDFORDSHIRE COUNTY COUNCIL 65m Bills Issued today due 23-6.82 9 121-%. Total applications 527m. Out-

BREDS—Closa (in order: buyer, seller, business) New Zealand coats per kg. March 395 seller, mi: Msy 392, 295, 393-392: Aug 411, 413, 413-411: Oct 413, 415, 416-413; Dec 414, 417, 417-415; Jan 414, 417, 418-416. March 424, 426, 427-425; Msy 434, 437, 437-435; Aug 445, 446, 447-448. Sales: 102.

GAS OIL FUTURES The market opened steady to reflect the strong New York, close and the Saudi announcement and continued to raily. During the afternoon prices eased back as longs were liquidated. Commission house buying boosted May and June on the close, reports Premier Aran

Month	Yest'day's close	+ or	Buşiness Done
March	263.00 847.25 244.00 242.75 246.25 250.00 253.00	+ 7,90 + 6,50 + 8,25 + 8,76 + 6,50 + 6,50	278.80-75.00 285.76-60.00 248.50.45.00 248.00-58.00 244.25-41.50 259.00
Sales: 3 tonnes, '	<u>,</u>		ta of 100

**GRAINS** 

Old crops channel lower, new crops unchanged. Old wheat saw commercial salling only to recover with firm steady buying throughout the afternoon. Little interest was shown in

WHEAT Mnth close - Yest'rd'ye +or May 116.45 -0.10 109.85 -0.25 July 119.85 -0.16 102.50 -0.65 Sept. 106.60 -0.65 102.50 -0.65 Aov 110.30 -106.15 -0.05 Jan 114.10 -0.65 110.15 +0.85

Business done—Wheat: May 118.45-116.15, July 119.75-119.50, Sept 106.80 only, Nov 110.30-110.20, Jan 114.10 only. Seles: 111 lets of 100 tonnes. Sarley: May 110.10-109.95, Sept no trades; Nov 108.15-108.10, Jan 110.10-110.00, Sales: 48 lots of 100 tonnes. 110.00. Sales: 48 lots of 100 tonnes.
LONDON GRAINS—Wheet: U.S. Derk
Northern Spring No. 1, 14 per cent,
April 148,26, May 113,75, June 113,00
ransbipment: East Coast seller. English
Feed-tob March 118,00, April 148,50,
May 121,00 East Coast sellers. Malizes:
Fronch March 113,00 transfrigment East
Coast seller. S. African White/Yellow
April/May 79,00 seller. Berley: English
Feed-tob March 111,50, May 114,75
East Coast sellers. Rest unquoted.

HGCA-Locational ex-farm phress, Other milling wheat W. Mids. 113.00. Feed barley: S. East 106.90. S. West 109.30, W. Mids. 106.30. The UK Monetary Coelisient for the week UK Monetary Coellicient for the week beginning, Monday, March 29 (based on MGCA calculations using five days' exchange rates) is expected to remain

RUBBER

The London physical market opened unchanged, attracted little Interest through the day and closed quiet. Lawis and Peat recorded an April fob price for No. 1 RSS in Kuels Lumpur of 207.5 (203.5) cents a kg and SMR 20 183.0 (182.0).

No. 1 Yest'r'ys Previous Business R.S.S. close close Done

April ... 55,20.54,10 55,50.54,10 May ... 54,20 55,20 54,90 55,20 54,20 55,20 Oct Dec 64,10 86,20 65,20 65,20 66,2 Sales: 610 (597) lots of 15 tannes. T (same) lots of 5 tonnes. Physical closing prices (buyers)

SOYABEAN MEAL

The market opened unchanged and moved higher on firm nearby cash markets, reports T. G. Roddick. Proces remained steady throughout the day. Yesterdys + on Business Close - Done

Salea: 171 (56) lots of 10 tonnes.

SUGAR LONDON DALLY PRICE—Rew sugar C152.00 (same) a tonne of March-April-May shipment. White sugar daily price E168.00 (same). Prices railied until reports that Nigeria had stopped issuing import icences sased the market, reports C. Czarinkow.

Business ₽ per tonne 

Sales: 4,699 (3,407) lots of 50 Tata and Lyle delivery price for granulated basis while Sugar was 2374.00 (same) a tonne lob for home trade and 2261.00 (same) for export. International Sugar Assessment International Sugar Agreement (U.S. cents per pound) lob and stowed Caribbean ports. Prices for March 22: Daily price 11.17 (11.15); 15-day average 11.35 (11.43).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 75 tonnes. Minor contracts were under review but support was manuoused in North and South

**POTATOES** 

LONDON POTATO FUTURES—April was again steady on fine weather and firmer Amsterdem prices, while Nov and Feb assed singhtly. The PMB quarantee price will remain same as 1981, the Ministry of Agriculture amounced, reports Cofey and Harper. Clasing prices: April 136.80, +2.50 (high 137.50, low 135.40): Nev 68.80, -0.50 (69.00 only): Feb 79.40, -0.20 (high 78.50), (gw 78.30). Turnovor: 406 (788) lots of 40 tennes.

rend wis arrested probably due to only mediocre interest. Second clears. Ox 31-35.5 kg. 63.3p a kg (63.5p a kg): 25-30.5 kg. 66.2p a kg (68.5p a kg): 22-25.5 kg. 75.0p a kg (78.2p a kg withdrawn). Light cows 25.5 kg. 71.0p a kg withdrawn (74.8p a kg). GRIMSBY FISH-Supply moderate.

demand good. Prices at ship's side (unprocessed) per stone: Shelf cod (4.50-f5.00, codlings C3.00-C3.00; large haddock f4.00-F4.40, medium f3.50-f4.00, small f2.00-f2.50; bast small plaice £3.20-£3.60; large temon soles £14.50, medium £12.50; saithe £2.50-f3.00.

MEAT/VEGETABLES MICA I / VEUE I ABLES

SMITHFIELD—Parce per pound. Beef:

Scotch Afled made 83.7 to 87.8: Uster

bindquarters 96.5 to 99.0, forequarters

93.0, forequarters 53.0 to 65.0, Veat;

butch hinds and ends 124.0 to 129.0,

Lamb: English small 85.0 to 93.0,

modium 88.0 to 92.0, heavy 88.0 to 83.0;

Scotch heavy 84.0 to 87.0. Imported:

New Zealand Pl. 95.0 to 88.8, PM. 66.8
66.8, PX 54.0-65.0, YLs 94.5 to 95.0.

Pork: English, under 100 ths 38.0 to

PRICE CHANGES

			ı
	Mar. 23		Month ago
<del></del>	<del>;</del>		
Meta s Aluminium Free Mkt	£810/815 \$990/1020		28 10 48 16 28 10 60 18
Copper Cash h grade 5 mths	£872.75	- 5,5 - 5.5 - 6,25	£861.5 £889.75
Gash Cathode.  3 mths Gold troy oz Laad Cash.	£868 25	- 5,5 - 8	F885,5 5361.5
Jaad Cash	£34X K	- 1,25	£330.75 £341.25 £3771.7 251:281c
Platin'mtr oz'y Fresmitt	£260		£260 £186.55
Quicksliver: Silver troy oz	5390/400 399,95p	+8,10	\$395/405 426.70p 441,30p
Tin Cesh 5 mths., Tungsten22,01b	£7285 £7452.5	+45	£8165 £7752,5 \$128,05
Wolfrm22,4 Ubi Zinc Cash 3 mths Producers,	\$111/115 £439 £433,75 \$900	—1.75 —2,75	\$124:128 £441 £446.75 \$876/850
Oils Coconut (Phil) Groundnut Unseed Crudo Paim Malayan	5480z 5507.5x	+2.75	8525 5660 £430 8512,5
Soods Copra Ph lip Soyaboan (U.S.			
Grains BarleyFut, Ser	£102.50	-0,85	£110.00
Maize Whoat Fut July No.2HardWin	£119,85	-0.70	£114.25 £115.50
Other commodities Cocoe shrp't*-	£1055		£1182
Future May Coffee Ft' May Cotton A.Index	£1044.5 £1239.5	- 3 - 12,5 D,05	£1146.5 £1274.5 <b>69</b> .75c
Gas Oil Apr Rubber (kilo) Sugar (Raw)	5253 53p	- 6.5 - 0.5	\$268.75 46p £168

Sugar (Raw). . £152zx ...... £168 Woolt ps 64s ki, 392p kilo ..... 387pkilo

: Unquoted. v April. : March-April. May. y April-May. u May-June. 1 Per 6 ib Ilask. • Ghana cocol. n Nominal. Seller.

56.0, 100-120 lb 40.0 to \$5.0, 120-160 lb MEAT COMMISSION—Average latatock prices at representative markets.

GB—Cattle 102.14p per kg liv (~0.74).

UK—Sheop 219.09p per kg csi dew (~5.34).

GB—Pigs 77.95p per kg liv (~0.05).

COVENT GARDEN-Prices for

COVENT GARDEN—Prices for the helk of produce, in sterling per package occept where otherwase stated imported Produce; Orangos—Spania: Navels 42/130 4 60-5 50; Cypriot: Valencia Lates 3 80-4 50; Jaffa: Shamouth May 150-168 5 15-5.70; Moroccan: Navels 48/113 3 60-5 00. Mandotas—Cypriot: 52/72 5.60-7 00. Temples—Jaffa: 5.30-5.00. Mandotas—Cypriot: 2.50-3.00; Spania: 40/50 1.20-1.50; Jaffa: 105 4.80; U.S. 6 00, Outspan: 100 a 5.00. Grapefruit—U.S.: Taxas Ruby 6.50-7.00, Florida Ruby 8.00-8.50; Cypriot: Large cartions 2.60-4.00, small cartions 2.50-3.00 Jaffa: 27/88 3.75-4.93; Moroccan; 40-64 2.00-2.50. Ortaniques—Jamacon; 64/126 8.50-9.00. Apples—French: Now crop, Golden Delicious 20-16 3.00-3.80, 40-16 6.00-8.00, Stark Crimspin 40-16 7.00-9.50, 20-16 3.40-4.80, Granny Smith 13.00: Canadian: Rod Delicious 9.50-12.00; U.S.: Red Delicious 9.00-13.50: S. African: Dunna 9.00-10.00; Golden 14-16. per tray 4.20; S. African: Williams Bon Chretien 5.50-7 00. Bearra—Dutch; Comitee 14-16. per tray 4.20; S. African: Williams Bon Chretien 5.50-7 00. Bearra—Dutch; Comitee 14-16. per tray 4.20; S. African: 4.00-4.50, Plums—S. African: Per pound Passa—Priums—S. African: Per pound Songold 0.40-0.60. Golden King 0.35-Chiean: 8.00-9 (0). S. African: 4 00-450, Piums—S. African: Per pound Songold 0.40-0.60, Golden Krig 0.35-0.55. Grapps—Chilean: Cardinal 11-16 8.00-6.20 S. African: Salba 5 40-5.50, Alphonas. 5.40-5.50, Waithem Cross 5.40-5.50; Brazilian: Italia 10-16 8.09-9.00. Strawberrins—Israeli: 0.50-0.60; Spanish: 0.35-0.50.

#### BRUSSELS — The EEC Com- sources said. customs irregularities by Euro- at customs as pellets, traders

separate customs regimes for Manioc pellets are consoli-

open to question. dated in the General Agreement ment on the investigation

AMERICAN MARKETS NEW YORK, March 23.
THE PORK COMPLEX was very strong on a carry-over of the buthsh production of the puthsh production from contract on Evidence Contract production for the contract of the c tion report on Friday. Cattle contracts were weak on profit-taking. Cocca continued under pressure with most of the selling motivated by technical considerations. Coffee was sharply higher on new speculative buying interest. Gold traded moderately higher and river was mixed in speculative buying, interest results about Opec's ability to augment present price levels, reported Heimold. Fab 60,30. April 61,50. Live Higs--April 51 90-51.65 (51 57), June 55.40-55.50 (54.85), July 56.40-56.50, Aun 55 78-55.90, Oct 53 43-53 00, Dec 3 85-3.80, Feb 52 00, June 50 60. ##Maize — May 270% 270% (272%), July 279%-280 (262%), Sept 284, Dec 280%, March 300%, May 511%.

Pork Bellies — March 77 70.77 72 (75 72). May 77 85 (53mg) July 77 45, Aug 75 30, Feb 72 50 72 50, March 72.95, May 72 60, July 73.50-74 20. Copper—March 67.65 (57.95), April 67.90 (68.25), May 68.75-68.65, July 79.55-70.65, Sept 72.35, Dac 74.85, Jan 75.70, March 77.30, May 79.00, July 80.70, Sept 82.40, Dec 84.90, Jan 55.65. 1Soyabeans—May 6361, 6353, (6371), July 5447, 644 (6464). Ang 6461, 5671, Sept 6471, New 651, 65112, Jan 6634 March 6772, July 700. \*Gold—March 326 4 (323.5), April 326.5-327.2 (324.6), May 330.4, June 333.3-334.0, Aug 340.5-341.2, Oct 346, Dec 356.0-356.5, Feb 356.0, April 372.1, ||Soyabcan Meal -- May 184.7-184 & (185.0), July 187.7-187.8 (187.9), Aug

189 7-190.0, Sept 191.0-191.3, Oct 191.5, Dec 194.0-194.2, Jan 198.0-198.2. Soyabean Oil — May 19 03-19.02 (19 20), July 19 52-19.51 (19 62), Aug 19 63-19.51 (19 62), Aug 19 63, Sept 19,75-19 76, Oct 19.95, Dec 20.15, Jan 20 35-20 30, March 20 55-20.60, May 20.65. \*Platinum--April 311 5-314 0 (314 3). July 320.5-321.5 (322.0), Oct 328.0, Jan 740.0, April 353.0. Potatoes (mund whites)—April 77.7-78.0 (75.2), Nov 77.4-77.5 (77.3), Feb 1Wheat-May 3711,373 (370), July 3781,3701, (3791,1). Sopt 3901,391, Dec 4071,4081, March 421, May 428. 45.1\var—March 716.0 (721.0). April 720.0 (724.0), May 728.0-729.5. July 746.0-747.0. Gent 765.0, Den 732.0-732.0. July 633.1, Sept 870.6, Dec 836.6, Jan 805.5 Handy and Harman bullion apot: 728.50 (709.50).

WINNIPEG March 23. \$Barley—March 118.50 (117.40), May 122.00 (120.50), July 123.90, Oct 125.20, Dec 125.00. \$Wheat—SCWRS 13.5 per cent prothin content cit St. Lawrence 221.99 (222.99).
All cents per pound ex-warehouse unless otherwise stated. \*S per troy ounce. \*Cents per 56-lb bushol. †Cents per 56-lb bushol. †Cents per 50-lb bushol. †S per short ton 7,000 lb). †S 50an. per metric ton. \$5 S per 1,000 sq ft. †Cents per dozon, ††S per motine ton.

Monday's closing prices

NEW YORK, March 22. 11Cocca—March 1806 (1507), May 1758 (1757), July 1800, Scot 1649, Dec 1900, March 1940, Sales: 2,715. Coffee—"C" Contract: Match 138 50 (137.57), May 134 25-134.70 (131 48), July 127.33-127.50, Sept 124.50-124.90, Dec 122.00, March 120.00-121.00, May 112.50,

ard-Chicago 10058 20.00 [19.25/

86.4. March 87.6-86.5. Sales: 186

Sugar — No. 11: May 1: 57-11.59 (11.40), July 11.82-11.64 (11.70), Sept 12.15, Oct 12.33-12.36, Jan 12.51-12.60.

March 13.10, May 13.30-13.32, July 13 40-13.45, Tin--610.00-612 90 (604,00-606.00),

CHICAGO, March 23.

Cotton—No 2: May 68 20-68 30 (55 40), July 68 20-68 30 (67 46), Oct 70.60, Doc 71.60, March 73 20, May 74.40-75 00, July 75 75-76 25. Tin—604.00-606 00 (692 00-604 00). Chicago Imm Gold—March 22. Chicago Imm Gold—March 323.2 (316.7), June 331.5-331.0 (324.3), Sopt 343.5-343.0, Doc 353.3, March 363.1, June 377.0, Sept 383.2.

#### **EUROPEAN MARKETS**

ROTTERDAM, March 23. ROTTERDAM, March 23.
Wheat — (U.S. \$ per tonce): U.S.
No 2 Dark Hard Wanter, 13.5 per cont:
Allost 202, March 20/April 15 204. U.S.
No 2 Red Wanter: mid-March/mid-April
166. April 166. U.S. No. 3 Amber Durum:
April/May 183.59, Mary 184. Juna 183,
July 184. Aug 185, Sept 187, Oct 191.
Nov 193. U.S. No. 2 Northern Sprim,
14 per cont: April 183, April/May 10:
187, Mary 136, Juna 185, July 184. 187, May 136, June 185, July 185, Aug 185, Sept 186, Oct 190, New 191. Canadian Western Red Spring: April/

Maize — (U.S. S per tonne): U.S. No. 3 Yellow: Spet 135, Affect 135, March 134, April 132 50, May 131, June 131, July/Sept 131, Oct/Dec 132, Jan/, March 140.50 sellers.

257.75, Dec 281.75, Jan 257, Feb 270, March 273.50 sellers
Suyameal — (U.S. S. per ronne), A& per cont proton. Affect 242/245/245 (drypending on gostion). March 238, 237, April 226.50 traded. Affact 246, March 238, April 220, May 228.50, April/Sopt 228.50, Nov/March 240 sellers. Brazil Pallets: March 241 traded, Affact 242.50, March 242, April 233, April/Sopt and May/Sept 237 sellers. Arganene Pollets: Affoat 243 traded. May 234, July/Aug 232.50 sellers. March 23. PARIS, March 23, Cocca—(FFr par 100 kilos): March 1148-1185, May 1175-1185, July 1205 364, Sept 1255-1280, Dec 1291-1310, March 1325-1350, May 1340-1320, Salag et call: 2.

Sugar-(ffr per tound): May 1905-Soyabeans—(U.S. S per tonna): U.S. 1908 July 1910-1920, Aug. 1925-1937, No. 2 Yellow, Gulfants: April 260.75. Oct 1920-1935, Nov 1930-1935, Dec 1925-1937, Grand 1935-1935, March 2028-2035, May 2070-2098, 261.50, Sept. 261.25, Oct. 257.75, Nov. Salus at call: 22

#### FINANCIAL TIMES Mar. 22 Mar. 19 Month ago Year ago 245,49 243,98 244,99 289,94

Mar. 22 Mar. 19 Month ago Year ago

997.5 997.0 1000.8 1155.9

INDICES

(Base: July 1, 1952-100). MOODY'S

Dow Mar. Mar. Month Year Jones 22 19 ago ago spot 124.58 123.46 127.22 Futr's 130.02 128.04 134.04 (Average 1924-25-25-100)

DOW JONES

REÚTERS

Mar. 25 Mar. 22' M'nth ago, Year ago 1592,52,1584,9 - 1609.5 1697.0 (Bese: September 18, 1931-100)

March 24 1982

it terland

general pure

BRITAIN'S farmers reacted angrily yesterday to the Government's announcement that there will be no increase in the guaranteed prices for potatoes and wool again this Dismay and disappointment greeted Agriculture Minister Mr Peter Walker's statement in the Commons, The guaranteed price for potatoes has not changed in the last five

years, while that for wool has been the same for three years. Mr Tom Seals, chairman of the National Farmers Union Potato Committee, said: "The NFU is dismayed. Suppression of the price severely restricts the work of the Potato Marketing Board, vital to the UK potato industry."

Mr Joe Raine, chairman of the NFU's Livestock and Wool

Committee, added: "There is

1982 clip will have to be A Ministry of Agriculture official said that potato pro-

BASE METALS

gared by stop-lose selling depressed Aluminium to £578.5. News that Fai-conbridge had reached agreement with lebour unions left Nickel at £3,122.5. £ £ £

839.41 +6.75 841.5 +6.35 867.8 +6.25 868.5 +5.6 841 +6.5 -74.76 .....

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**CLUBS** 

vg has cardined the others necesse of a scaley of fair piew and vakes for most supper from 10-3.30 am. Disco and to musicians. Samorous hostesses, exiting scorphors, 189, Regent 5t. 734 0557 THE GASLIGHT OF ST. JAMES'S. London

#### PERSONAL

**FACT** ALREADY NEARLY 100,000 members help the

British Diabetic Association.

More help and donations are

nceded to help defeat

DIABETES Join us Help us Support us BRITISH DIABETIC

ASSOCIATION 10 Queen Anne Street, London W1M 0BD.

for P.A./chauffeuriac whose experience includes articular conversation/larming/politica/miraling/economics. English graduate. 30, female. Write Box A./802. Financial Times. 10 Capnon Street. FCAP 4BY.

PUBLIC NOTICE

**EQUITIES** 

FIXED INTEREST STOCKS

Financial Times Monday Marsh 99 1009

RECENT ISSUES

Companies and Markets

### All-round advance in improved turnover with Gilts again showing the way ahead—Oils and Golds better

Dealings tions Dealings Day Mar 15 Mar 25 Mar 26 Apr 5

Mar 29 Apr 15 Apr 16 Apr 26 the FT Industrial Ordinary
Apr 19 Apr 28 Apr 29 May 10

"New time" dealings may take place from 9.30 am two business days

leach from 9.30 am two business days

Stock market values moved day after having opened higher in the wake of Wall Street's in gilt-edged on interest rate hopes subsequently tempted an improved level of demand for equities. Sentiment in the latter was also helped by the prospect of a £1bn boost to industry from the Government's revised policy towards cable

Backed again by the performance of sterling, continued buy-ing of gilts left gains to a full point and occasionally more. The emphasis was still on con-ventional stocks with long-dated issues showing the higger gains. Despite closing below the day's best, short-dated issues also made a spirited showing with rises extending to 3. The rises extending to 1. The Government Securities index put on 0.49 for a four-day advance of 1.54 to extend its. 11-month high to 69.55. Indexlinked stocks, on the other hand, lost more ground. Falls extended to 14, but the £50-paid Treasury 2 per cent touched £491 before closing only } easier on balance at £497.

Option and prices moved higher First Declara- Last Account virtually across the board Rises in FT-quoted industrials out-

Demand was stimulated in ahead on a broad front yesterahead on a broad front yesterstatements. LASMO's betterthan-expected profits giving a overnight rise. A fresh advance fillip to recently depressed oils. Burton pleased the market with sharply higher half-year profits sector, but Insurance brokers better ahead of the announcement took further heart from Willis Faber's figures and Prudential were actively traded ahead of today's results.

Speculative situations were featured by Pearson Longman, sharply higher on the bid approach from parent group S. Pearson.

A further rise in the bullion price—up \$8 at \$3294 an ounce—was reflected in the Gold Mines index, which gained 14.1 for a four-day rally of 35 points, nearly 16 per cent, to

#### Wills Faber rise

FINANCIAL TIMES STOCK INDICES

69.55<sup>1</sup> 69.06 68.45 68.30

Equity turnover £m. - 101.54 136,88 118,28 150,68 138,41 167,85

10 am 562.7, 11 am 563.7. Noon 565.4, 1 pm 565.3,

Since Compilat's

70.61 | 60.17 | 127.4 | 49.18 | Gilt Edged (20.381) (28.1081) (811.35) | 611.75) | Bargains.

High | Low | High | Low

HIGHS AND LOWS

2 pm 565.2. 3 pm 565.0.

Basis 100 Govt. Secs. 16/10/28. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/56. SE Activity 1974.

69.56 69.31 69.05 68.90 68.83 69.08 71.94

564.3 558.1 562.7 556.8 551.4 562.4 511.7

254.6 240.5 254.4 233.0 219.6 231.5 366.2

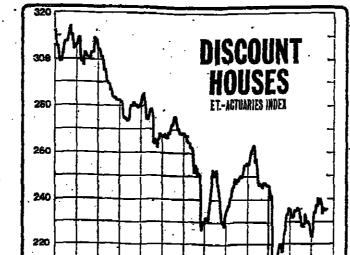
24,020 21,010 18,408 19,781 20,174 21,431 28,324

\_\_\_ 16,624 14,759 15,958 17,096 18,849 27,902

S.E. ACTIVITY

191.5 188.0

Already in demand following a broker's recommendation. Lloyds Brokers were given a further fillip by Willis Faher's better-than-expected results.
Willis Faber closed 12 to the good at 432p, while C. E. Heath Leading equities appeared to be flagging after early demand bad been satisfied, but buying issues ahead of today's annual



figures and closed 6 better at 235p. Equity and Law hardened a penny to 434p, after 436p, in response to the preliminary figures. Composites were featured by renewed strength in Eagle Star, which added 8 more to 388p, after 389p; the annual results are due today.

Up to 5 higher at the outset, the major clearing banks reacted on lack of follow-through support to finish a few pence easier for choice. Elsewhere, buying on recovery hopes helped Guinness Peat to gain 5 more to 75p, while Provident Financial firmed 3 to

136p on Press comment. Leisure Industries staged a successful debut in the Unlisted opened at 127p and touched 130p before closing at 129p compared with the placing price of

Among Wines and Spirits. Tomatin fell to 46p before settling for a net loss of 3 at 49p following the passed annual dividend and near-doubled annual deficit.

Housebuilding issues dis-played a firm feature in Fairclough Construction, which put on 10 to 164p in response to the good prelaminary results. good preliminary results. Barratt Developments registered a sympathetic gain of 5 to 276p. Among Timbers, International cheapened 4 to 81p and Mon-tague L. Meyer 2 to 68p, but Magnet and Southerns put on 6

Wall Street advices prompted support for ICI, which closed 4 dearer at 326p. Brent shed 2 to 127p following the slightly disappointing preliminary results, but demand in a market short of stock lifted James Halstead 5 to

Burton higher

Early support was directed towards Burton on the annoncement that the interim results, originally expected results, originally expected early next month, would be the event, the profits were well in excess of market expectations and the shares finished 12 higher at 171p with the Warrants rising 6 to 72p. Other Store majors, however, failed to benefit from the aunouncement

gains. Marks and Spencer closed 4 to the good at 152p. while Gussies "A" added 12 at 512p. Movements in secondary issues were usually attributable to special situations. George Oliver "A" were again outstanding, rising 22 for a rise of 38 to 160p since the preliminary results were announced last Friday. Currys, 184p. and Milletts Leisure, 97p. added 6 and 3 respectively, but Executes continued to meet

selling and eased a pensy more

trical sector centred on Stan-dard Telephones and Cables following the announcement that just under 10m of the shares had been placed at 496p by brokers L. Messel and Cazenove; the shares closed 10 down at 523p; it was later disclosed that the shares were part of the American parent's holding and that the offering has reduced ITT's stake in 75 per cent. Elsewhere secondary issues en-countered a good selective demand. The prospect of hene-fits from eable television helped Electronic Rentals to rise 4 to 99p and Rediffusion to pirt on 10 to 225p, while BET jumped 9 more to 175p, after 183p. Demand in a thin market prompted a rise of 15 to 265p in Kode International. Among the headers, BICC hardened a few put on 11 for a two-day jump of pence more to 345p, after 350p, 24 to 284p, after 290p, on with sentement still broved by speculative buying. pence more to 345p, after 350p, with sentement still broved by a Press suggestion that the company will announce full-year

A penny or so firmer at the advanced 8 to 210p in response to Press comment and Fife to Press comment and 145p Indmar jumped 10 to 145p put on 5 to 270p and NEI 4 to 861p. By way of contrast, Stothert and Pitt theapened 4 Stothert and Pitt cheapened 4 to 294p. Elsewhere, demand to 58p; the interim results are due on Friday. Sults lifted Anvil Petroleum 13

due on Friday.

Leading Foods attracted steady Store majors, however, failed to Leading Foods attracted steady to 98p. Moray Firth again lacked 513 calls with the nopular May benefit from the aunouncement demand and closed at, or near, support and shed 5 to a 1981-82 80s and August 90s recording and merely retained the opening the day's best. Cadbury low of 47p, but Global Natural 235 and 175 trades respectively.

vived support and put on 3 to 155 to 620p. 97p, while renewed speculative buying lifted British Sugar 20 to 440p. Argyll Foods improved 4 to 104p and demand in a thin market lifted A. G. Barr 8 to

Smith & Nephew good Among secondary miscel-laneous industrials, Smith and

Nephew gained 5 to 107p, after 108p, ip response to the better-than-expected results and proposed scrip-issue. Ricardo added 5 to 457p on the satisfactory interim figures and water-ford Glass hardened a fraction fory interim naures and waterford Glass hardened a fraction
to 22½p, after 23p, also following
trading news. Awaiting preliminary statements today,
Hepworth Ceramic firmed 3 to
115½p and Bestobell put on 5 to
350p. CSR appreciated 9 to 185p
following the announcement that
the company has substantially inthe company has substantially increased its coal reserves in the Mannum Licence area, while F. Austin (Leyton) hardened a penny more to 5p on further consideration of the board's state-ment on prospects. Marley, on the other hand, fell 2! to 461p on a broker's downgraded profits

forecast and Associated Com-munications Corporation A shed 3 to 101p in the wake of the boardroom split and awaiting further bid developments. Riley Leisure reacted 8 to 117p on the proposed £3.3m rights issue that accompanied the interim results.

Pearson Longman, a strong market of late, jumped 18 to 290p following the approach from parent S. Pearson with a view to the latter renewing its bid for the minority interests, S. Pear-son finished 4 up at 252p. Elsewhere, warmoughs dropped 12 to 188p following the cautious statement with the lower full-year earnings. Finlay Packaging added 11 to 2610 following the near-

doubled annual profits.

Properties reflected the general trend, Land Securities rising 4 to 295p and MEPC 2 to 224p. Speculative demand lifted Capital and Counties 4 to 127p. while interim profits in line with market estimates left Peachey only a penny dearer at 148p. Outside of the leaders, Rosehaugh

Lasmo rally Down 18 on Monday on nervous profits in excess of £100m selling in front of the pre-today. Lasmo rallied to 275p in early trading and touched official close, Vickers reacted 293p on the announcement before nervously after-hours to finish a closing a net 25 up at 285p; the net 4 down at 160p on con-OPS also rose 25, to 850p. The tinuing talk of a rights issue figures sparked support for other sharp with today's preliminary figures. issues, Ultramar rising 18 to profits, Elsewhere in Engineerings, 378p, and Sovereign 12 to 270p, Golds Ransomes Sims and Jefferies after 275p. Tricentrol, preafter 275p. Tricentrol, pre-liminary results tomorrow, put on another 10 to 192p. The major UK oil companies' moves to in- demand and finally 8 higher at gallon lifted Shell 8 to 372p and British Petroleum a like amount

put on 90 for a two-day jump of Mercantile

Golds surge ahead

zathered momentum \$329.5 an onnce. with gains accentuated by stock shortage and bear closing.

It was only late in the day when the market began to ease.

following American profit-taking. The Gold Mines index responded with a rise of 14.1 to 254.6, its biggest one-day gain since December 14 and a 35 point trading days.

Heavyweights were featured by Hartebeest, up £2 at £213, and Randfontein and Vaal Reefs, which rose ELE and £25 respectively. Medium and lower-priced issues showed ERGO 27 firmer at 290p, Stilfontein 49 to the good at 688p and Welkom 32 pp

African Financials South mirrored the strength of Golds. "Amgold" touched £331 before closing a net £11 higher at £33 while Gencor added 40 at \$20p. GFSA £11 at £277 and Anglo American Corporation 12 at £75p. The Bermuda-registered Minorco recouped 15 to 345p.

Gold Fields dominated activity

disappointing, closing unaltered at 420p despite the firmness of precious and base-metats and the broad rise in UK equities. Platinums made modest gress, sustained by the sharp gains in other South African

Activity in Traded options improved sharply and 1.880 deals were arranged, comprising 1,403 again to the fore and attracted

Schweppes firmed another 3 to Resources encountered further 101p, while J. Sainsbury rose 10 demand and, in a thin market, to 585p. Unigate attracted report on 90 for a two-day jump of

The recovery in South African boosted by the further rise in the bullion price. The latter advanced \$8 more to close at The sharemarket opened on a steady note, and began to move ahead following initial buying from Johannesburg. This was quickly followed by substantial interest com the Continent and London and prices surged ahead

in London Financials, moving up 12 to 385p, after 387p, RTZ were

issues. Rustenburg Platinum edged up 2 to 154p despite the sharp contraction in half-year Golds made the rouning in were prominent with a rise of

148 F.P. 26.3 202 186 Amersham 200
15 F.P. 15.4 22 19 Cambrian & Gen.7 p 22
180 F.P. 355 315 Ældridgs Pope 11 365
- F.P. 25 21 Freet Holdings 20p. 25
599 F.P. 5/3 63 69 Freet Holdings 20p. 25
9120 F.P. 130 127 Leisure Inds. 129
9120 F.P. 53 47 ÆMalaysian Tin 5p 50
9130 F.P. 164 165 137 Foceonics 10p. 165
1 F.P. 50 30 Ospray Assets 50
1 F.P. 42 40 P. H. Industriais 40
46 F.P. 19/2 63 47 ÆYork Mount. 63

announced the purchase of Charles Fuiton on Monday, added 15 more to 455p. Elsewhere in Financials. London Investment Trust rose 3 to 22 p following the acquisition of Chicago broker

Among Tobaccos, Imps rose 21 to 93p following the company's bullish remarks at a stockbrokers meeting the annual meeting is to be held today. South African industrials showed gains to 30 awaiting to-day's Budget proposals; sentiment was also helped by the recovery in the bullion price.

"RIGHTS" OFFERS F.P. 15/3 19/4 87 73 2Clyde Pstroleum
F.P. 8/3 23/4 42 40 2Energy Financa 10p
Nii 29/3 10/5 27pm 20pm/First Castle 10p ...
F.P. 22/3 29/4 188 154 Nunting Pet Services.
F.P. 26/2 26/3 296 258 Lovell (Y.J.)
Nii - 20pm 12pm M.I.M.
F.P. 11/2 26/3 239 217 MEPC
Nii 8/4 6/5271pm 24pm St. George's Grp. 10p ...
F.P. 123/3 23/4 148 13/4 Security Centres
Nii 6/4 27/4/3½ pm 34pm Shaw & Marvin 10p ...
F.P. - 48 37 Steaus Romans (Brit.)

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimato. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. a Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. I Figures assumed. • Figures or report awaited. ‡ Cover allows for conversion of sheres not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unloss otherwise indicated. • 1 saued by tender. Offered to holders of ordinary sheres as a "rights." • Issued by way of capitalisation. §§ Reintroduced. • \*\* Issued in connection with reorganization, merger or take-over. [if introduction. [issued to former proforance holders, and Allotment letters (or fully-pad). • Provisional or pertity-paid allotment letters. • With warrants. †† Dealings under special Rule. • \*\* Unliated Securities Market. †\* London Listing. † Effective issue price after scrip. † Formerly dealt in under Rule 169(2)(a). • †\* Unit comparing five ordinary and three

		AC	TIVE	STOCKS	
Abov	m average a	ctivity w	as notod	is the following stoc	ks yestarday
Stock BET Deld Berton Cons Gold Fairclough Hamebeest	Cons	Clasing price ponce 175 171 385	Day's change. + 9 + 12 + 12	Stock Pearson (S.) Pearson Longman P. & O. Deld Prudential Smith & Nephaw Ultramer	Closing price Day's pence change 252 + 4 290 + 18 134 + 7 235 + 6 107 + 5
	MON	<b>DAY</b>	'S AC	TIVE STOCK	S
	Based (	on bargai	ns record	led in S.E. Official Li	st
Stock BAT Inds	No. of price	Manday's closing price pance c	Day's hange	No. ( pric Stock charg Tricentrol 11	e price Change

RISES	SAND	FA	LLS YEST	ER	DAY	•
Pearson Legrae 1: Sterling Credit GEC	3 93 2 825 1 322 1 345	+ 24 + 2 - 4 - 3 - 1	Amerakam 678 De Beers Did GUS "A" Imp Group Plessey	10 10 10 10 10 10	198 344 230 500 901, 385	+ 1 2 7 1 - 1 - 1

3	KISES	A	NU	ľА	LIS AF21F	KDA	ŁΥ	
	British Funds Corpus. Dom, and	83 42	· · 4	31	Oils Plantations	52 6 82	13	Same 45 18 74
4	Industrials		175 . 58	852 297	Others Totals	- 88 844	1D 259	44 1,367

#### APPOINTMENTS

### New chairman for Britvic

Mor George Imman has been Tarmac's newly formed housing appointed chairman of BRITVIC. division.

Mr Inman had been deputy chairman and managing director CREDIT SUISSE FIRST of Britvic for 10 years, coming BOSTON LTD, the London from Tetley Walker. He merchant banking arm of relinquished the post of manag- Financiere Credit Suisse-First ing director 12 months ago. He succeeds Mr Brian McGrath who has resigned. Britvic is part of the wine, spirits and soft drinks deputy chairmen, division of Allied-Lyons,

Mr Eric Pountain, chief executive of TARMAC, has been additionally appointed as vice-chairman of the company. Mr Pountain joined Tarmac in 1973, following the takeover of John McLean and Sons, when he became chief executive of

Boston, has appointed Mr Hans-Joerg Rudloff, Mr Hans-Urich Doerig and Mr Robert J. Strebel,

has been appointed a director of KIRKLAND - WHITTAKER (STERLING BROKERS). Lord Thorneycroft has been

Mr Christopher T. Woodcock

appointed non-executive director and elected chairman of CINZANO (UK). Mr John

Shearn and Mr Nicholas Turnbull have been appointed directors. Mr Shearn is company secretary and Mr Turnbull marketing and sales director.

Mr I. G. Stevenson has been appointed a member of the HORSERACE BETTING LEVY BOARD. Mr Stevenson succeeds

Mr James N. Kelly has become managing director of MANAGE-MENT ANALYSIS CENTER'S (MAC) European management consulting activities. Mr Kelly recently stepped down as president in order to pursue consult-ing on a full-time basis. Mr Kelly was succeeded as president by Mr Thomas H. Howe, who has been with MAC since 1968.

Mr P. G. (Peter) Bullen, managing director of Clarence Tiling Co., has been elected president of the FEDERATION OF BUILDING SPECIALIST CONTRACTORS for 1982/83. The new senior vice-president is

Mr J. K. (John) Bagnall, the junior vice-president is Mr C. P. (Peter) Nichels.

Mr Christopher Price, manag ing director of The Credit Insur-ance Association, a part of the HOGG ROBINSON GROUP, has been appointed to the group

BIS MARKETING RESEARCH has appointed Mr Richard Harris associate director in charge of the graphic arts unit and Mr John Wadsworth has become associate director in charge of the wood research unit.

Mr R. W. Altken has been appointed a non-executive director of W. E. Norton

CUTLER-HAMMER EUROPA an Eaton Corporation company, has appointed Mr Authory H. Stanton as operations director. He will be responsible for the marketing, manufacturing and engineering activities.

#### **NEW HIGHS AND** LOWS FOR 1981/2

Highs and Lows for 1981-82.

NEW HIGHS (58)

Fdp 51:pc 82:98 Exchor. 13/upc 87-82:98 Exchor. 30c 1985 Treas. 3pc 1987

Fdp 51:pc 84-85 Treas. 12pc 1987

Fdp 51:pc 84-85 Treas. 12pc 1987

Fdp 51:pc 84-85 Treas. 12pc 1987

Fdg. 61:pc 948-85

LCC 51:pc 1985-87

COMMONWEALTH LOANS (2)

Nationwide 184-pc Aust. 5pc 1981-83

13:12.82 13:12.82
FOREIGN BONDS (1)
Hydro Quebec 15pc
Sulmer (4. P. SEERS (1)

Bullion Colores

Bullion (4) P. Bullion (5) Pairclough Cons. Newarthill CHEMICALS (2) Helitead (1) STORES (5) Burton Group Marks & Spence Oliver (G. A. ELECTRICALS (6)
Faratell Electricals (6)
Redditusion
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ENGINEERING (6) INDUSTRIALS (S)

Heath (C. E.) Willis Faber NEWSPAPERS (1) TEXTILES (1) NEW LOWS (15)

BUILDINGS (3) United Ceram STORES (1) ENGINEERING (1) Gen. Stockholders Pearson (5.) OIL & GAS (4) Moray Firth TR Energy MINES (1)

#### OPTIONS Last Last For Deal- Declara- Settle-

April 5 April 26 July 15 July 26 April 26 May 7 July 29 Aug 9 For rate indications see end of Share Information Service Activity in Options remained at a relatively high level and at a relatively high level and calls were arranged in Celtic Haven, Nimslo, British Benzol, Selincourt, Sovetelgn Oll, Bowater, Oil Search, Carless Capel, North Kalgurli, Bremar Trust, Tithury, Premier Oil, Eagle Star, Grindlays, Marinex, Sound Diffusion, Pennine Commercial, Wearwell, Duble Intermercial, Wearwell, Duple Inter-national, Ragian Property Trust, Turner and Newall, NCC and Meckathra, No puts were reported, but doubles were completed in Tricentrol, Tilbury, Amersham, ICI and North Kalgurli.

#### FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the lustitute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	T	ues M	arch 2	23 19	82	Moo Mar 22	Fri Mar 19	Thur Mar 18	Wed Mar 17	(Ahbum 180 Astr
ig	& SUB-SECTIONS  Per In parentheses show number of stocks per section	Index No.	- Day's Champa	Est. Earnings Yield % (Max.)	Gross Ohr. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index Ha.	Index No.	Index No.	Index No.	Index No.
1	CAPITAL E0095 (210)	373.06	+8.4	9.46	425	13.23	371.54	372.33	368.46	\$5.92	330.0
Ž	Building Materials (25)	337.02		12.95	511	9.27	334.78	335.28	353.63	194.01	207.21
3	Contracting, Construction (28)	616.53		14.49	4.65	133	an a	630.51	666.14	682.51	932.79
4	Electricals (32)	1294.41		7.16	2.29	17.84	1292.35	1294.62	1274.33	1258.25	
5	Engineering Contractors (9)	501.97	+1.7	12.86	5.85	9.06	493.53	45.9	493.42	4504	4947
6	Mechanical Engineering (67)	191.41	+8.5	11.14	5.79	11.57	198.50	190.52	190.0	189.92	16.22
8	Metals and Metal Forming (12)	163.47	+6.9	9.96	7.49	12.97	162.63	162 79	160.74	160.64	154.07
9.	Motors (21)	99.07	+63	1 —	6.72	I —	16.32	99.49	99.57	98.43	11.0
0 )	Other Industrial Materials (17)	382.27	_	9.67	5.49	12.52	382.09	383.70	381.54	378.32	264.65
1	CONSUMER EROUP (199)	299.47	+1.4	12.20	5.57	38.97	255,29	2%,74	293.35	294,74	259.83
2	Brewers and Distillers (21)	2%.16		15.88	6.59	7.58	292,80	253.75	-290.40	25.56	201.31
5	Food Manufacturing (21)	278.22		15.29	6.51	7.27	274.41	275.75	271.37	270.64	20.5
5	Food Retailing (15)	623.22		8.67	3.22	14.07	634.53	67241	686.61	603.64	993.00
7	Health and Household Products (8)	.370.60		7.99	4.05	14.71	347.71	390.71	309.17	394.50	271.4
2	Leisure (24)	447.75		9.26	4.92	13.55	45.92	445.60	441.34	439.40	394.3
2	Newspapers, Publishing (12)	528.62 345.66	+2.0	18.95 13.73	6.05	12.22	518.48	517.93	517.81	517.44	475.2
	Packaging and Paper (13)	276.25	+22	10.25	7.40	8.78	144.17	143.73	142.57	1/11.79	1343
4	Textiles (23)	173.72	+0.4	9.75	4.85	13.16	278.21	272.30	248.56	265.67	201.0
2 1	Tobaccos (3)	309.49	+2.8	19.79	5.76	1323	173.11	175.30	172.47	171.45	144.9
9	Other Consumer (14)	211.6	-0.2	1.23	8.42 5.82	5.75	303.37	308.02	343.47	257.44	213.5
í	OTHER GROUPS (78)	251.12	+8.9	13.81			271.65	227,24	247.集	26.6	23.1
2			+0.9	13.20	6.03	9.27	255.78	256.46	23,25	252.73	224.6
4	Office Equipment (4)	337.95 130.40	+0.7	12.34	6.83	9.05	334.85	336.92	333.51	334.66	25 <b>1</b> /
5	Shipping and Transport (13)	574.26	+0.9	18.66	6.59	9.86	129.42	129,89	128.67	126.83	101.5
3	Miscellaneous (45)	3/1.20 327.51	+1.0	11.31	6.43	6.38	569.17	573.26	54.33	561.37	599.A
_					5.01	10.83	324,24	323.53	318.75	307.31	202.4
2	BIBUSTRIAL GROUP (487)	319.32	+1.0	11.38	5.15	10.90	316.21	317.57	373.01	111.5%	Z71.5
IJ	ONS (13)	678.28	+2.8	11.32	8.54	638	(5)41	560,73	643.61	641.67	822 7
9	500 SHARE HEREX	346.61	+13	12.39	5.67	9.82	341.21	36.41	340.76	3313	320 9
Π	FINANCIAL SROUP (117)	260.54	+0.6		6.10		251.34	268.33	257.33	2543	72.
2	Banks(6)	277.59	-8.4	38.72	7.70	2.84	278.65	251.99			22.6
3 ]	Discount Houses (9)	235.37	+0.1	_	921		235.15	25.27	275.71	2/3.34	
5 j	Insurance (Life) (9)	263.32	+1.5	l 🗕 Ì	114	_	251.51		254.38	233.71	332.2
6 I	ipsurance (Composite) (10)	164.63	+0.7	_	2.16		142.25	255.M	257.98	251.85	274.5
7 I	Insurance Brakers (7)	467.96	+3.3	30.77	5.25	12.66		168.27	165.89	165.95	145.5
B. Ì	Merchant Rasks (12)	144.87	·+0.1		5.42		453.64	<b>63.6</b>	443.92	40.33	34.3
9	Property (49)	469.72	+8.6	4.62	3.21		344.77	144.13	<b>JK45</b>	145.44	154.5
íΙ	Other Financial (15)	121.46	+8.5	15.79		24.51	68.D	459.11	<b>457.14</b>	<b>45.25</b>	497.3
H	Investment Trusts (112)	234.75		13./7	6.01	7.79	198.54	121.45	320.20	179.61	172.1
- 1	Mining Finance (4)		+0.9		5.46		282	271.94	291.70	292.51	294.6
:	Comment Total on (17)	207.03	+14	16.36	6.87	7.42	204.12	20443	201.57	200.44	25.4
Ц	Overseas Traders (17)	384.47	+0.2	13.62	8.28	8.96	383.71	32.86	378.95	37244	451
9 J	ALL-SHARE INDEX (750)	325.75	+11		5.80		322.20	323.16		317.43	

FIXED INTEREST								AYERAGE GROSS REPEMPTION YIELDS	Tues Mar 23	Mon Mar 22	Year ago (aggres
	PRICE INDICES	Tues Mar 23	Day's change %	Mon Mar 22	ni xil. today	nd adj. 1982 to date	1 2	British Government Law 5 years,	1961	12.60 12.63	n.9
1	British Communist	116.72	+8.36	110.54	9.24	2.89	4 5	Medium 5 years	12.33 13.74	这件 13.77	12.6 13.6
2	5-15 years	117.57	+8.22	131,75	-	2.55	7	Kigh Syders	13.64	BA BA	13.11
4	Irredecesables	123.37	+1.67	115.83 122.41	- -	2.87 1.62	8 9 10	Company 15 years	1311	13.61 13.27	13.44 13.75 13.45
5	All Stocks	113.22	+8.77	112.43	9.57	277	巨	Dels & Leans 5 years	12.00 16.44	72.12 34,62	- 13.57
	Principes & Louis	<b>2.77</b>	+2.73	813	-	3.09	냻	75	14.51	14,43	)4.2 )4.2

# The Royal Bank of Scotland Mortgage

The Royal Bank of Scotland plc announces that with effect from close of business on 1 April 1982 its Mortgage Rate will be reduced to 13% per cent per annum

#### BASE LENDING RATES

Allied Irish Bank 13 %	
American Express Bk. 13 %	Hambros Bank 13
Amro Bank 13 🔏	Heritable & Gen. Trust 13
Henry Ausbacher 13 %	
Arbuthnot Latham 13 %	C. Hoare & Co
Associates Cap. Corp. 13 %	Hongkong & Shanghai 13
Baaco de Bilbao 13 %	Kingsnorth Trust Ltd. 14 (
BCCI 13 %	Knowsley & Co. Ltd 1340
Bank Hapaolim BM 13 %	Lioyds Bank 13
Bank Leumi (UK) plc 13 🖔	Mallinhall Limited 13
Bank of Cyprus 13 %	Edward Manson & Co. 14
Bank Street Sec. Ltd. 15 %	Midland Bank 13
Bank of N.S.W 13 %	Samuel Montagu 139
Banque Belge Ltd 13 %	
Banque du Rhone et de	National Westminster 13
la Tamise S.A 131%	Norwich General Trust 13
Barclays Bank 13 %	P. S. Refson & Co 13
Beneficial Trust Ltd 14.%	Roxburghe Guarantee 1310
Bremar Holdings Ltd. 14 %	E. S. Schwab 13
Brit. Bank of Mid. East 13 %	Slavenburg's Bank 13
Brown Shipley 13 %	Standard Chartered 13
Canada Perm't Trust 14 %	Trade Dev. Bank 13
Castle Court Trust Ltd. 131%	Trustee Savings Bank 13
Cavendish G'ty T'st Ltd. 151%	TCB Ltd 13
Cayzer Ltd 131%	United Bank of Kuwart 13
Cedar Holdings 13 %	Whiteaway Laidlaw 1319
Charterhouse Japhet 13 %	Williams & Glyn's 13
Choulartons 14 %	
Citibank Savings \$121%	Yorkshire Bank 13
Civdesdale Bank 13 %	•

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March 24 1982

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Winchester Oversas Ltd. NAV Feb USS2.53
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11 New Street, EC2M 4TP.

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86   53   Marshall's Univ   85   -1   01     0.2     37   12   Martin-Black   31   +1	MOTORS, AIRCRAFT TRADES  Motors and Cycles	535   490   Utd. Real Prop.   458     5.8   0.24   1.9   705   395   270   Warner Estate   307   +2   8.0   1.6   3.7   37.2   136	92 Generalis Int. Tst. 111 -1 F13 10 17 74 Hambres 122 123 120 11 5.0 11 6.6	352 90 International Pet 1, 115 +10 114 58 Nackson Expire 84 01.5c - 0.9 -	112 63 Beoguindle I Kira 68 +1 G5/s 12 5.7 102 146 CRA 50c 152ml 65 0 2.0 25 9 Canada Northwest 9/2
Cel   Cld   Cld   St   Cld   C	23	270   Warner Estate   307   +2   8.0   1.6   3.7   37   2   135   500   350   Warner Estate   400   +10.0   1.6   3.6   23.0   1.6   228   228   220   Warning in Zup.   420     327   6.6   6   82   54   Warning in Zup.   420   32   7.6   6   6   82   54   Warning in Zup.   410   3.2   7.6   6   6   82   82   82   82   82   82	110   Independent law.   130   142   13   13   142   15   142   15   142   15   142   15   142   15   142   15   142   15   142   15   142   15   162   16	**202 9 †††, lessel 79, 59 10	68 14 Eagle Corp. 10c. 177
255   15   Metamer Jentine   191 and   113   0.1   ±	150   71   Gen   Mis Units   108     012r     6.2	} { 200		135 250 ASMO 225 +5 100 0 51 0 141 -	40 14 Endeavour 20c 15 15 032 e 8.9 10.3 25 6 16 10.3 10.3
29 12 Motes Gr. 10p 25 +1 G5% -43 - 64 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Commercial Vehicles	SHIPPING 1402 1262   Brit. & Comm   327     1432   3.7   5.2   6.3   5.3	133 Hericy Lett. 11	5124(775 1.85M0 "05" 105 850 +25 125.89 28.7   536   105   Magellan Pet   140	185 38 Greenhobes Tin SG: 42
1 30 Nash (1.F.) See. 43 11.6 52.9 4.4 (1.F.) See. 45 11.6 12.6 4.4 (1.F.) See. 45 11.6 12.6 12.6 13.3 13.5 12.6 12.6 12.6 12.6 12.6 12.6 12.6 12.6	56   35   E.F.F. (Hides.)   48   -1   0.1   -1   0.4   -1   1.7   100   Planting (GD)   148   +1   3.5   2.2   8.2   6.3   2.1   7   York Trailer 100   13   -1   8-   -1   -1   -1   Components	174 135 Fister (J) 165 265 6 23 6 14 445 226 Sezzi-Larses SI 220 6 2 3 6 3 7 17 140 80 Huming Chons 1990 60 3 7 8 6 3 7 17	10 Do. Cap. 20	500 55 Monate 08 250.55 65 +3 G2 x 33 2.3 12.2 117 47 (13 Monate 08 250.55 65 +3 G2 x 33 2.3 12.2 117 47 (13 Monate 08 12.55 65 +3 G2 x 33 2.3 12.2 1142 72 (NCC Energy 10p. 75 60.75 33 42 27 4 Monate Nat. 5, 36 +3 10 1.5 4.8 (57)	118
66 22 Netl&Sover100 26 27 105 0 48 0 105 0 48 0 105 0 105 0 48 0 105 0 1	180 106 PAerospace Eng. 145 +3 hd7 5 1.7 7.5104 86 612 Abbusy Panels - 72	421 <sub>2</sub>   26   Jacobs (J. 1.) 20p   37     2.3   \$\phi\$   9.3   \$\phi\$   85   65   305 <sub>2</sub>   Lon. O'Scas Frirs   52     1.07     2.9     166	65 Lanz. & Lon. Inv 73 268 11 5.6 133 Law Debembra 159at +1 8.0 6 72 1515 Lazard Stip, Res. 10 5174 42 - 42 - 42 - 42 - 42 - 42 - 42	92 27 Affee Coart Mar. 50. 38 +3 1.0 1.5 4.5 (0.7) 5.46; E27 Norsk H. Nr. 100. 529	105   9   Leichardt Expin.   13   +1   -   -
140 78 (New Surfit Sp	54   26/2   Armst'ng Eq. 10p   32   -1   41.5     6.7     75   47   Automotive   56     45.02     2             -	*355 280   Lyle Shipping	39 Oo. Can. 50 55 11 7.5 36 Lon. Atlantic 90 12 11 7.5 106 Lon. & Gart, 50p. 114 15 15 19	252	20 7 Mild East Mines Ni
19 11 Overstone 129c. 1132 136 2 314.9 11 275 259 (250 102akid Fin. Cv 557.2 - 5 09% 131.9 11 130 133 Partor Kondi A. 127mi 7.5 3.21 8.4 5.2	5174,896   Darra Corp S1   5144   4 1051,60   6.01   17   18   17   18   17   18   18   1	195   98   Reardon Sm. 509   132     175   7.1   1.9 7.8   17.   178   83   0a. 'A' 50a   186   -2   1.75   7.1   2.3   6.4   4   124   1	133 Lndn. & Holyrood 159 150 10 53 13 Lon. & Lemnat	10 3 Da. Part Pd. 50.02 4 2x80.35c - 2.11 - 120 60 60 fortist 70 +6 4	20 13   Newmetal 20c   15
233 122 Pauls & Whites. 202 6.5 3.9 4.6 4.1 132 13 Peek Holdings 13 6.5 3.9 4.6 4.1 97 72 Peerless 89 6.3 1.4710.119.47 71 41 Pertiand 10p 68 +112 +1.65 4.8 3.5 6.3	265 172 Dowly 50p. 120 [h133 3.4 40 4.0 e.]  267 52 Dowly 50p. 75 50 76 50 76 50 76 50 76 50 76 50 76 50	SHOES AND LEATHERS	124 Lon & Prov. 170	55 30 Penise Res. 30	84 26 Nth. Kalpurli 24 25 150 67 Onkaridge 50c 77 -1 106/ <sub>2</sub> c 1.9 5.2 155 450 Ottmin Nt. 46 -
33 48 Pentlow 10: 63	987 229 Fight Rebeiling 243 -2 (3.75 3.0 2.2134 3.0 100 Hrun Smith 100 .23	80 43 Footwear Ims 74 -1 45.09 2.6 9.9 7.6 9.8 6.9 Garnar Booth 78 -1 4.5 25 8.8 11.1 4 (b.s.) 95 55 23 (Readlan, Sen 5) 51 12.5 3.8 7.1 (7.7) 25	1 64 London Trist	210 240 Ramper OHI 345 +25	150 67   161   170   1
79 12 Passes Passes - 27 10 - 53 - 53 24 75 34 Photoses 8r. 51 270 +2 10.5 32 53 43 43 53 45 10.5 32 53 43 43	Garages and Distributors 95   47 (Adams 68550n_) 80   41 (4.33   4   7.4] \$	59 33 Lambert Hth. 207 57 +1 4.06 43 10 4(2.4) 27(4) 59 35 Headold & Burt'n. 47 3.78 1.6(12.1) 6.9 10 64 42 Printers Grp. 62 -1 4.0 0 9.6 0	206   Do. Cam. 10p   250	460 225 Sentos AO.Sc. 250 06c	275 Peko-Wallserd 50c. 277mi
79 12 Presic Coost. 150. 30 221 1.110.0 (19 112 5 Patignum 50. 32 0.01 1.110.0 (19 110 59 Patignum 50. 37 1.51 9.089.2	1112 72 Alexanders 10p 912 0.2 - 72 34 Appleyard Grp. 68 - 20.1 - 0.2 - 0.2 116 63 Alexandra Motor 64 +1 5.0 0.5 11.2 (9.5 95 58 Alexandra Garayet 95 - 12.0 - 1	*** 48 Strong & Fisher 58 5.0 -12.3 - 107.    162 113 Stylo 113 -2 3.0 0.5 3.8 - 81.    74 42 Ward White 62 -1 4.2 1.6 9.7 7.8 63.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1	91 States Atr. S. Tst. £1. 91 345 1.0 66 Meltirum Inv 75 345 0 6.8 47 Mercantile Inv 57 72 2.6 0 6.8	81 10 Steckleton Pet. 12 +1 +	20 34 Setting A
3; 542 330   Portats. 506   +1 172.25 3.3 3.5 9.6   1 26   273   Portats. 506   +1 172.25 3.3 3.5 9.6   1 26   273   Portats. 506   1 14.25 3.3 3.5 9.6   1 26   275   28   28   28   28   28   28   28   2	46 16 Breid Group 50. 46 65.55 3.2 7.1 6.1	SOUTH AFRICANS	55 83 Merchants Tst	430 255 4-Sovereign 00. 270 +12	18 <sup>1</sup> 2 4 West Coast 25c 4 — — —
156 118 Prestige Group. 156 6.88   2.8 6.3 7.3   15 980, 554 Principard Sus 85   -1, 12.5   1.5 4.220.9   15 17 8.5   1.5 4.220.9   1.5 18.5   1.5 4.220.9   1.5 18.5   1.5 4.200.9   1.5 18.5   1.5 4.200.9   1.5 18.5   1.5 4.200.9   1.5 4.200.	154 % Carfres 50p 45 45 50 45 50 45 50 45 57 45 57 45 57 45 57 45 57 45 57 45 57 45 57 45 57 45 57	\$14   \$00   Aseric Am. in E1   979     \$1650; 0   9.11 0   470   470   360   19-4-4   19-4	13 Do. Warrants 14 17.3 10 6.8 186 Meorgate Inv. Tist 154 17.3 10 6.8 156 Meorskie Trest 67 -1 35 10 7.5	220   125   Sunmask Pet   205	135   200   Westa, Mining Stc.   200   45   4014c   16   3   4014c   4   4   4   4   4   4   4   4   4
216 138 Rank Org. 198 +2 10.8 11 7.8(3.5) 308 174 Recitin & Colour 290 +4 18.5 2.0 4.2 049 200 95 Redrem Glass 138	96 36 Davis Godfrey 82 +1 840 25 7.0 61 44 20 Dorada 39 -2 21 - 4 20 25 62 55 57 30 Cheffeld awr 85 57 30 Chef	630   265   Grims 'A' 50c   265     1085c   24   1 24   7	642   Marray Caledonian   77   +1   144.8   9.9 7.4   62   Do B   71   -1   -1   -1   55   Marray Ciydesdale   62nl +1   1.73   1.0 4.0	157   122   Tiber Energy     157   +2           230   55   Tri Basin Res.     73   +13	16   7   Aenal Nigeria Ip.   28     10135c   0.7   2   100   210   Ager Hitam SM1   210
47 27 Reed Enc. 100 29 115 1 26 120 120 120 120 120 120 120 120 120 120	43 21. Ranger Invs. 10p. 251 <sub>2</sub> -1 <sub>2</sub> 295 27 5.3121 83 49 Harrison (T.C.) 80 295 27 5.3121 106 55 Harrison 6 90 537 1.9 8.5672	218   122   S.A. Brews, 20c   173   +4   1927c   1.5   8.5   7.8   15   900   550   17   17   17   17   17   17   17   1	54 Do. B 58 -1 27 11 28 115 Do. '8' 115 Do. '8' 177 187 187 187 187 187 187 187 187 187	332 170 Tricestrol	00 210 Aper Hitam SM1 210nd 2135c 0.7 ‡ 110 98 Gervor 110 110 125c 0.7 ‡ 12 8 Gold & Ruse 12:gg 12 12 1566 4770 Gopeng Coxs. 486 176 12 51
205 125 Region isc. Y3U 166 (2296 1.7	132 60 Hentys 20p 111 +1 6.0 - 7.7 - 33 19 Heron No. Gr 32 440.8 - 4 - 7.7 - 40.8 - 7.7	TEXTILES 9	67 Do. 'B' 75	490 175 Rets. (5 min) 100 100 +5 01.92 — 11 — 112 44 Westfort Pet. 11 47 +2 — — — —	25 110   Horizonia   250
*590 370   Ricardo   457   +5   8.5   2.4   2.7   20.1	39 21 lessurs 31 20 0.5; 9.2; 61 63 35 24 7.9; 54 124 81 lex Service Erp. 115 +1 7.0 c24 9.0; 52 59 35 Lookers 52 24 3.85 24 10.6 40	62 33 Altes Bros 62 14.65 2410.77 61 52	250 Negrit S.A. SUSI. 450 013c — 1.6	158   42   Woodside A50c  47	10 353 Kullinghali SMI 650
29   17t <sub>2</sub>   17tacte Plant Rip   19     12   8.2   9.0     5.7   6.2   9.0     6.3   -2   2.1     4.5     6.5   44   18tate & Main Rip   45     1.5   2.7   4.5   9.1	142 10 Blace Nr. Gen 20 10	34 57 Beckman A IDD 34 +1 5.73 1.3 9.7 (ID) 111 5 99. Blackwood Mort. 924 - 30 3.77 1.401.888.5 2 50 3.77 1.401.888.5 2 51 34 Gutner L'ab. 20. 47 3.82 1.311.687.7 23.34 17 Carpets lat. 50p. 29 +12 55 1.79 95. Carr'on Viyella 133	5 217 Newsrie: Co. (1907) 225 +5 20 11 143 5 160 Do. Cap. £1 202 +2	and and tasks. 1-1 2 99 1 1 27 1 4 1 7 71 4	50 90 Pengialen 10n 310 3.5 — 1.6 80 260 Petallong SMT 260 G60c 4 5.5 25 1160 C7016c 11 1 1 85 75 Suprand Best SMT 75 G019c; 6 5.0
133 87 (Roomer Hillings	90   54   Western Mar  66	52/2 34 Brit. Mohtair 59 3.77 1.410.888.5; Z. 51 34 Butter L'nh. 20. 47 5.82 1.371.687.7 22. 34 17.2 99, Carryton Viyella 132,	92 New Tokyo Inv. 50s 302 +1	192 132 Aust. Agric. 50c 140	250   Petaling SM1   250   G60   0 5.5   25   150   Surgest Best SM1   150   40 151   1.2   1.5   1.
293 140 Royal Wores 180 +2 8.6 3.5 4.8 5.6 162 772 Russel (A) 10p 145 1123 6.6 1.2133 17 10 Royal (L) 50. 17 1125 6.6 1.2133	7 (	452   28   Corah   4512   152   29   9   92   0   14	111 Nth Allandic Sec. 132	175 130 Cresby House 145 477 20 4 4	Copper 10   145   Messina R0.50   220  +15   Q60=   5.2 14.5
100, 60, 8. 6eege 6, 10, 120 a 1 b 40 24 5.7(9) 116 800 9. 6eege 6, 10, 1216 0234 29 10.4 1 25 116 800 71mg 212 +2 80 9 5.5 9	340   202   Ass. Book P. 20p   340     17.5   2.7   3.2   3.8   4.2   2.8   4.3   4.3   4.4   4.5	33 18 Crearther (J.) 20 - 20 - 29 15 15 15 15 15 15 15 15 15 15 15 15 15	56 00 6 Assoc. low 79 +1 35 18 63 55 53 0atwich low 64 221 12 49 136 Pentiand low 165 -2 635 18 55 68 Precion line 18 71 +2 5 68	134 120 161 Nina 110   133     147   0   37   0   0   0   0   0   0   0   0   0	Miscellaneous
64 40 Suders Mt. 10a 61	' 1705   47   Reon Amthers   1813     3.6   2.11 5.3 202	70 34 Gasiell Bloom 2b 43 -1 3.5 2.2 11.6 51 35 85 61 Hicking Ph. 50p 76 -2 6.0 111131318 17	2 296 RIT-50p 377	25 15 Isacis Wm. 24	75 20 Anglo-Dominion 20 0.75 6.9 6.9 30 35 Catby Res. Corp. 55 0.75 0.69 6.9 30 200 Cons. Murch. 100. 240 110 0.60c 1.9 13.3 110 5 FFExplaura Gold. 7 1913.3
- 140 68 Scotorus. 98	85 65 Black (A. & C.) 85 20 3.4 25 20 3.4 215 2103 Bristoi Pout 12 215 11.0 2.8 7.3 25.1 7.5 6 4.5 6 2.8 93 20 223 7.5 6 6.0 6 2.0 223 345 Daily Mail "A" 50 390 +2 30.0 1.8 11.0 13.4 31.1 31.1 31.5 2.8 1.1 31.5 2.8	26 11 Ill'swerth M. 20p 19 KI.0 17 7.5(9.5) 14 15 7.2 Do. 'A' 20p 19 KI.0 17 17.5(9.5) 14 15 7.2 Do. 'A' 20p 19 KI.0 17/10.6(6.6) 15 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	40 Rights & Iss. Cap. 57	193 34 Ocean Wiss. 200 42 26 12 BA 128 167 110 Parisa. Zoch 100 130 24 43 22 165 177 18 48 178 178 178 178 178 178 178 178 178 17	95   47
220 155 Securior Ba 216 -1 178 15 1222 227 155 20 00 A N V 225 -5 178 55 1220 227 155 Securior Services 223 +1 130 34 1922	[ ] JUN   75   MFHet & Ur. 30   25     E2   J. 21 20 20	49   29   Lister 33  -5   01   -   04 -   25	[ DBN   Dr 200-202 LO   The L+0   And 4 Th 50	33   34   Ocean Wises, 20p   42   2.6   1.2   1.8   1.29   1.67   1.10   Parissa, 20ch 10s   130   4.33   4.54   4.8   2.2   1.55   1.07   1.0	
227 154 Do. A' N-V 221 +1 3.0 3.4 1921. 155 103 Sharan Ware 20p 132 3.47 3.8 3.8 7.1 158 63 Sidaw Grown 50p 167 +1 16467 2.8 5.78.0 20x 156 Stebe Gorman 170 +1 16467 2.8 5.78.0	80 45 Home Counties 58	79 44 Lytes (\$3.20p - 72 -1 6.25 1532.4 6.7	52 Resedimend Inc. 53st 6.5   17.5   118 Do. Cap 143 +3 17.5   18 T.8	RUBBERS AND SISALS	137 11 1150 Minerals 100 111
113 67 Shewholgh 10p, 112 -1 35 37 45 73 38 23 Shryhorne 10p, 25	260 193 1 Link House 200 253 110.0 2.3 5.7341 162 81 Lipon Ib. Pat 50p 162 +2 10.2 4 9.4 6 133 65 Henrikt St. Dit. 98 6.3 3.1 9.2 4.2 290 149 Permu Lorgania. 290 +18 48.36 3.0 4.1 9.1	53 99 Montfort 10 99 +1 118 - 29 119 53 199 Montfort 10 29 +1 128 - 29 119 173 103 Notis. Manig 173 45 37 38 9.8 38	1371 <sub>2</sub> St. Andrew Tst. 158 6.5 1.0 5.9 118 Scot. Am. Inv. 50p 135 +1 4.4 1.0 4.7 2 228 Scot. Cities 'A' 258 11.5 1.1 6.4	High Lory Stock   Price   - Stat   C'or (Br's )	NOTES   1274 E-000.31  340  +101 - 1-1-1
N- 30A 224 Spritchley	290   149   Pearson Longonion.   290   +18   +8.36   3.9   4.1   9.1   125   75   Pentarthé & Sond.   188     3.25   4.8   4.3   6.1   1.6   1.30   Routledge & KP   145     19.0   4.3   6.1   4.3   6.1   6.0   22.0   5mp; (M.N.) Wids.   430     8.0   0   2.7   0   6.0   1.5	91 47 Nove Jersey 20c 87 -1 14.5 3.4 7.4 4.4 7 51 33 Parkland A' 43 37 6.3 12.3 15 33 161 <sub>2</sub> Reliance Nort 20p 27 15.4 11 8.2 (55) 24	0 66 Scot East Inv	127 62 Barlow Hidgs, 10p 70 +1 s3.0 0.9 6.11 163 64 Bertan 10b 65 0.88 1.1 1.9	inless otherwise indicated, prices and set dividents are in pepca and ententingtions are 25p. Extinated price/earnings ratios and covers are early as hard served reports and accounts and, where toxibile, are
5" 39 21 Solic Law 20p. 27		24   14°   Richards 10°   22°   -1   14°   84   92°   18°     22   60   S.E.E.T. 20°   66   -2   13.0   5.6   63   3.1     27°   20   Scott Roberson   21°   +1°   1.15°   3   1     30   13   Selects Int. 10°   16°   16°   11°   3     30   31   Selects Int. 10°   16°   16°   16°   16°     31°   25   San & Hardn 10°   13°   +1°   22°   3     31°   25   San & Hardn 10°   13°   +1°   22°   3     32°   33°	5 91 Scot. Matrional 97 +1 k3.43 1.1 5.0 9 80 Scot. Northern 92 +3 3.45 1.0 5.4 1.0 5.4 1.0 5.2 1.0 5.	61 <sub>2</sub> 3 Grand Central 10p. 31, 220 1742 (Harrisons Mr. Est. 10p. 147 48.0 04 7.8 (	used on latest susual reports and accounts and, where possible, are obtated on bull-yearly figures. PTEs are calculated on "net" istribution basis, earnings per stare being computed on profit after notion and correleved ACT where applicable; bracketed figures
123 77 Spear (J.W.) 95 6.0 0.8 9.0 (2.2 121/6 80) Spring Grove 94 +12 4.0 2.9 6.1 11.6 9.0 (2.2	PAPER, PRINTING ADVERTISING	130 <sub>2</sub>   15 <sub>2</sub>   Share & Harvin (10)   14ar	45   Scot. Utd. Inv  50   +11- 16   18 4.6     197   Sec. Alliance Tst.   240   +2   9.15   1.1   5.4     1.9   1.8   6.3     1.9   1.8   6.3	92 47 Highlands M50c 71 +2 4015c 0.9 5.0 1712 40 Kuala Kepong M51 49 +1 5010c 2.8 4.9 765 43 17 Kuala M50c 56 +1 012c 1.9 5.2	plicate 10 per cent or more unrevence or curcumous or "mi intribution. Covers are based on "manaisum" distribution; this purpares gross dividend costs to profit after toxistion, excluding acceptional profits/bases but business estimated extent of offsettable CTT. Yields are based on middle prices, are gross, adjusted to ACT of
1029-1000 (b. Mr. On H. M. 1001/2	*292 282 HA.I.D. 10p	28 14 Sanddaw R 10p. 26 1.75 25 9.4(4.8) 15 672 25 Sa. Viscos 11200 35 175 25 9.4(4.8) 15	25   575   Select Hat Jun 2015   - 2.5   - 2	420 198 Lin. Surgators 10p 240	ICT. Yields are based on middle prices, are gross, adjusted to ACT of O per cent and allow for value of declared distribution and rights. "Tap" Shock.
130 27 Standard Ind. 35 0.9 - 3.7 - 90 22 MStandard Inp. 29 +1 - 8.9 - 8.9 20 1175 MStar Casp. 1bp. 188 42.0 4.4 1.519.1 222 132 Star Casp. 1bp. 188 42.0 4.4 1.519.1 222 132 Star Casp. 1bp. 188 42.0 1.5 10.1 3.8 3.1 3.1 3.8 3.1 3.8 3.1 3.8 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1		29   16   Spenter (Geo.).   26	7 86 SPL17 Sap. 10p. 110 -1	10 } 8 Meanthand-mar 5-26   14-5	Highs and Lows marked thus have been adjusted to allow for rights bases for costs.     Inturing sloce increased or resumed.
222 192 Specifies 176 -1 10.5 q.1.3 8.811.5 80 35 Saring (Blue, HKS1 35 040c 10.9 1.55 0.8 6.9 (E.1 ) 133 72 Specifies 23 34 1.55 0.8 6.9 (E.1 ) 133 72 Specifies 23 27.9 1 75.0 4.46 6.67 3.6	177 109   Bund	58   182   Shring Gr. 20p.   58     180.6   14.5   15   6.4   20   19   11   Stockhard A   1112   42   43   55   222   Strong Rise Drid 51   -1   181.5   19   42   6.7   12   12   13   42   6.7   12   13   42   6.7   12   13   43   14   14   14   14   14   14	95 Staties Fer East 51 1091 <sub>2</sub> 10 10 40 127 Stockholders Inv. 133 +3 1.0 1.0 4.0 130 130 130 135 43 1.0 3.5	TEAS  India and Bangladesh	ingerim since reduced, passed or deferred.  † Tax-free to non-residents on application.  Figures or report available.  USM; not listed on Stock Exchange and company not subjected to
118 73 Stonehill Hist. 73	35 23 Causton (Sir J.) 32	125   64   Tearred May, 101   89   +1   65   32   98   43   13   71   31   72   73   73   73   73   73   73   73	100 Temple Bar	263 178 Assan Frunter £1 225 10.0 - 6.4 420 370 Lewrie Plants £1 390 20.0 1.9 7.3 778 225 Met and Rossel £1 352 12.25 - 3.4	y USBS not need an about Exchange an occupiers to supplie to the same degree of regulation as fished sectrifies.  1) Death in under Rule 163(2)(a); not listed an any Stock Exchange and not subject to any facing requirements.
133-2075 Swedds March 1530 . 5111-4	21 12 Cradley 10p 18 60.63 3.6 5.0 4.1 145 97 Crupper (tames) 145 25 18 25 284 18 10 Delyn Pack 20p 13 25 18 25 284	116   55   Toray Y50   285   +5   201 % 26   #25.6   12   22   130   Trafford Carpets   15   -	1 96 Tor. Invest. loc. 102 91 13127 135 Oo. Can. 166 0.91 13 0.8 67 Trass. Oceanic. 78 2.5 1.8 4.6	153 123 Iba Marchar F. 19942 123 8.4% - 9.8 295 250 Moran 5 290 5.0 - 25 240 175 Williamson 51 295m 12.5 1.5 7.6	Price at time of inspension.  [ Indicated dividend after pending scrip and/or rights issue: cover- relates to previous dividend or forecast.  Marger bid or reorganisation in progress.
**123 25   Tables 59-4   185   7.0   0.8   9.5   221   185	101 65 DRG 73 6.0 8.711.77(25)	TODAGOOC A	67 Trans. Oceanic. 78 25 1.0 4.6 28 Tribume lines. 96 7.1 1.014.7 26 Dr. Capital £1 370 7.1 1.014.7 45 Trans Balon. 78 1822 1.1 4.0	Sri Lanka 450  355  Lumana €3  405mi  33.0   ♦  11.6	Merger tild er rearganisation in progress. Not comparable. Same interiac; respect final amifor reduced varnings indicated. Forecast dividend; cover on varnings updated by latest interim
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### **FINANCIAL TIMES**

Wednesday March 24 1982

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MINISTERS LAY BASIS FOR DEAL ON UK PAYMENT

### EEC in budget peace moves

BY JOHN WYLES IN BRUSSELS

FOREIGN Ministers yesterday lined up the basic elements of a package linking a reduction in Britain's payments to the EEC budget for up to five years with agreement on the price increases to be awarded to Community farmers this year.

The aim is to resolve these two contentious problems by the end of next week.

European Agriculture Ministers have scheduled a negotiatling marathon on farm prices EEC Council of Ministers, and and that in any case, it left too from Wednesday to Friday next week. Foreign Ministers agreed yesterday to hold an unusual Saturday negotiating session on the budget in Luxembourg on.

They also agreed that the budget need not feature on the agenda of next week's headsof-government summit here on Monday and Tuesday-remov-ing the possibility of souring

After several fruitless meet-After several fruitless meetings in the past four months, to 1984 inclusive, coupled with the possibility of a budget a mechanism to adjust the breakthrough emerged yester-rebate if it turned out to be 10 day with the presentation of per cent higher or lower than skilfully-drafted compromise was intended., That "would hardly be a good tioud on a proposals from Mr Leo Tinde- Lord Carrington argued yes year to have it," he added, the weeker mans, the Belgian Foreign terday that this would not yield referring to the possibility of a the pudget skilfully-drafted compromise proposals from Mr Leo Tinde-

BY TIM DICKSON

UK by bringing new technology

small businesses. One of the

most important results of the

venture is likely to be the

adaptation for use in Britain of

experiments which have helped

boost employment in the U.S.

fourth largest American com-

Bank, Pilkington Brothers, Sun already

FIVE INSTITUTIONS yester- Worldtech Ventures.

day announced plans for a joint The company will operate by

enterprise to create jobs in the setting up business ventures in

and other experience to aid those areas of the UK such as

The five institutions are But it is felt that Control Data

British Steel Corporation is the most significant share-(Industry), the Co-operative holder. This company has

Life Assurance and Control initiatives in Sweden, Italy and

Data UK, a subsidiary of the Israel while its business and

puter group. Each is subscribbased education and training expecte ing £200,000 to the new enterand small business support public prise which will be called systems are likely to be sources.

About 100,000 angry French farmers marched through Paris yesterday in the biggest demonstration there since the 1968 riots. Letting off bird-searing fireworks, hurling eggs and jamming streets with their tractors, the marchers called on the Government to press for a 16 per cent increase in guaranteed EEC farm prices.

The demonstration followed months of regional protests against low farm prices. French farmers claim that for the past eight years the increases awarded by EEC Agriculture Ministers have failed to match rises in production costs. Page 2

ments.

Technology group plans jobs boost

agreement on the UK's pay-

• The UK's compensation for

1985 and 1986, the last two

ment, would be decided by the

Council before the end of 1984

through a unanimous vote on a

Lord Carrington said Britain

would need something more

important models for World-

managing director and formerly

managing director of Control Data UK, emphasised that

financial support, management

assistance, education and train-

ing, marketing advice and help

with access to facilities and

services would also be key

features of Worldtech ventures.

according to specific needs but

they will be formed only after

an inivitation has been issued

Finance is unlikely to come

from Worldtech directly but is

expected to come from local

These initiatives will vary

Mr Jack Ward, Worldtech's

tech ventures.

proposal from the Commission.

years of the proposed agree-

M Gaston Thorn, the European much to be negotiated annually. to Commission President The main points of the proposals are:

 An arrangement reducing the UK's budget burden for five years, the period London wants. Lord Carrington, the Foreign Secretary, stressed yesterday there must be a review clause in case the UK's payments remained unacceptably large when the arrangement expired.

specific communities, notably in

the North-East, the North-West,

Scotland and Wales which

have been hit worst by

The five partners stress that

sponsored similar

they are all equally involved.

technology centres, computer-

unemployment.

Lord Carrington said, however, that the proposals were a basis for further discussion

Mr Tindemans claimed afterwards that the ideas were "well received" and all dele-gations were showing real interest in the proposals.

British general election.

These offer the Ministers a concrete set of propositions which attempt to steer a middle line between British demands and the desire of other delegations, particularly the French, secure precise limits on the A "top-up" element would be duration of any arrangement needed, based on a mechanism and the amounts which will be used in the temporary two-year paid to the UK.

Its contributions to the Commonity budget are expected to total between £900m and £1bn

The decision to negotiate on Standay week maintains the link the British have imposed between any farm price settle-ment and a budget deal. If as is possible, the farm definite for the final two years rise package by Friday evening, to avoid a new negotiation in the UK will probably make its

ústers agree on a farm price approval of this condiweekend negotiations on

Asked yesterday whether the company would not fall over the numerous existing local enterprise initiatives. Mr Ward said that "there will be

plenty of room for us all."
"Out objective is not to

replace docal initiatives but to

exploit new areas. Locals co-operation and assistance is however essential."

The company is reticent at

"In the short run tech-

nological advances have contri-

buted to unemployment as

tasks are undertaken by fewer

people," said Lord Harris of Greenwich, Worldtech's chair-

this stage about where the first

venture will take place.

man yesterday.

#### further 10% of shares in STC By Caria Rapoport

ITT sells

INTERNATIONAL Telephone and Telegraph, the U.S.-based conglomerate, has sold another 10 per cent of its stake in Standard Telephone and Cables, its British telecommunications · manufactur-

ing subsidiary.

The placing, of about 10m shares, through the London exchange yesterday raised approximately £50m. It was snapped up eagerly by London investors at 496p a

In June 1979 ITT sold 15 per cent of STC through a public offer for sale at 160p a share. The latest move leaves it with a 75 per cent holding in the British company.

The deal is one of the

Ine deal is one in re-largest private placings in re-cent memory. In mid-1980, the National Enterprise Board raised £54.3m by disposing of the bulk of its stake in Ferranti. the electronics company. In 1979, the NEB raised £38m by placing its 25
per cent stake in ICL.
ITT said yesterday it had
no specific purpose for the money. Even so, the company's debt-to-equity ratio has been climbing and the group has had substantial cash out-

flows recently. The share sale follows the announcement two weeks ago of STC's profits for 1981. Between 1978 and 1981, STC had pushed pre-tax profits from £27,8m to £50.6m while sales increased from £373m a year to £567m. Mr Ted Newman, a director

and treasurer of ITT (UK) and STC, said ITT was not likely to be selling any more shares. "This is a good stopping point. A 75 per cent ownership is relevant in terms of taxation and regulations." Although ITT had been considering the divestment for

some time, it was obliged under Stock Exchange regulations to delay the placing until the announcement of STC's profits. Before the recent profit statement, STC shares were trading at 455p. They jumped smartly after the announcement and closed at 533p on Monday, so the placing was pitched at a discount of

Approximately 7m shares were placed in the market by st**ec**kbrokers L. Messel and Cazenove. The remaining 3m were placed among the private clients of S. G. Warburg, the merchant bank.

closed last night at 523p, down

Brokers said yesterday that the shares placed in the market were sold in less than an STC, which markets its

products worldwide, makes public and private exchange

### Weather

MAINLY DRY with sunny periods but some rain in west. Warmer.

UK TODAY

London, E. England, Midlands, Channel Isles

Any fog patches clearing. Dry with sunny intervals. Max. 12C (55F). Borders, E. Scotland Mostly dry, cloudy with bright periods. Max. 10C (50F).

Rest of Scotland, N. Ireland, W. England, Wales Cloudy, some sunny intervals, rain in parts. Max. 11C (52F). Outlook: Rather warm. Mostly

dry with sunny periods.

WORLDWIDE

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THE LEX COLUMN

Financial Times Mondon-Mon

### How Lasmo lost its looks

A couple of years ago, when Lasmo was producing very little oil, paying no dividends, and was extremely highly geared, the City was falling over itself to buy the shares. Now Ninian must be kicking itself for not is flowing at 300,000 barrels a having a rights issue two years day, giving Lasmo sales of £ibn dividend is being paid and there secured loan stock tomorrow. Yet the shares have dropped from a 1980 peak of 895p to a recent low of 260p. Nothing looks as dowdy as last year's

It is easy enough to see what the problems are. Although the oil price in sterling terms has been holding steady — and Lasmo has not been forced to self on the depressed spot market - broker's forecasts of the value of the company's reserves, based on 20 per cent compound escalation in the oil price, are rapidly gathering dust. The time when all that luscious acreage in the "T" Block and Columba Field (the rechristened South Minian) will be brought on stream has been indefinitely postponed, so that

Niman autput talls off. developed fields are integrated oil majors with lossmaking UK refining activities, who have better things to do with their profits, excluding property, of money than bring on new about £22m. highly- taxed production when they cannot recover upstream prices in the market for oil products. Meanwhile, the Government's take of Lasmo's own profit, pre-tax and royalties, is on roughly maintained floor 76 per cent, or 85 per cent, space and constant gross mar-76 per cent, or 85 per cent, before safeguard relief—and he tax actually paid, rother than just provided for, is climbing all the time: £44m last year, and more in 1982 as Lasmo joins the PRT club.

Index rose 6.2 to 564.3.

ago - has plenty of financial hast year and pre-tax profits of elbow room to pick up, with £113.2m, while a 10p maiden great tax efficiency, any small producers having trouble fundis enough cash in the balance ing their development. At 290p, sheet to pay off the £75m un- up 30p yesterday, the shares prospective earnings and at a big discount to asset value, nearly four times covered by last year's current cost earnings.

Considering the damage that its reputation has suffered over the past few years, Burton Group can be forgiven for rushing out any news that might repair it. Yesterday's results for the six months to February came hot from the presses and left the shares 8p higher at

The figures are us usual complicated by property items and the disposals of businesses but underlying operating profits Lasmo seems sure to have a dip have risen an impressive 18.7 in earnings around 1984-6 as per cent to £12.8m. With the Nimian autput tails off. The trouble is that Lasmo's the pre-tax figure is up by majority partners in the under- almost two-thirds. So Burton is at last making a respectable return from retailing and looks on target for full year operating

Burton has spent heavily to brighten the appearance of its shops and the benefits are starting to show through. Volume has grown by over 10 per cent, gins, against a weak market for garment fetailing. At the same time, capital spending is being All the same, Lasmo-which even.

The Burton image will not be rehabilitated by a single set of figures and the return on capital employed is still not doing full justice to the quality of the property portfolio. But, to judge from the historic yield of 6.1 per cent, the market is more confident than for years.

A little more than two years ago, some sparkling results, a generous dividend hike and run up in the shares of a prominent electronics group were followed within days by a £38m placing of stock which was easerly gobbled up by the institutions. Yesterday's disposal of a 10 per cent stake in STC for nearly £50m by the parent company ITT shows several parallels. The placing comes within a fortnight of a 48 per cent jump in stated second half pre-tax profits a 35 per cent increase in the final dividend and a week in which the shares put on 14 per The institutions were again so enthusiastic that scaling down was required.

placed in unfortunate institunonal hands was ICL; there can be no doubt that the outcome of yesterday's exercise will prove much happier than this. For heavily general ITT, which is having difficulty disposing of its farestry interests, the cash will come in very useful. For EK investors a broader market STC shares should ease price volatility. But further tranches of stock from ITT cannot now be ruled out - albeit not for the next couple of years. So there may be more scarcity premium to drop out than the terday to 523p suggests. ITT has probably picked a high point in STC's rating relative slowly run down and the much to the market at which to sell slimmer manufacturing operations are almost back to break 160p at the original flotation in to the market at which to sell

### \$2bn office leasing deal

By David Lascelles in New York

AMERICAN EXPRESS yesterday agreed to lease one of four towers being built on a huge Manhattan office development next to the World Trade Centre in what the company claimed is the largest property leasing deal ever.

deal ever.

The deal will give a major boost to the development which is being undertaken by Olympia and York of Canada. It has been dubbed the Rockefeller Centre of the Wall Street district. American Express will lease

a 2.3m-sq-ft tower for 35 years for a price "in excess of \$2bn" (£1.1bn). The company would not give the exact price per sq ft but it appeared to be in the \$25-\$30 range. In return, Olympia and York

will buy American Express's present Wall Street head-quarters for \$240m, giving the charge card and financial service company a \$180m capital gain which it plans to use to restruc-ture its investment portfolio. Mr James Robinson, chairman

of American Express, said his company "will be able to use its current building to generate a major source of revenue, expand into significantly larger quarters to meet its growing space demands and assure stability in its real estate costs over the long term."

The development, to be called the World Financial Centre, is being built on a stretch of reclaimed land jutting into the Hudson River beside the twin towers of the World Trade Centre and half a mile west of

BY ALAN FRIEDMAN

MIDLAND BANK is expected to

refuse to participate in 4 \$350m (£194m) package to finance the

purchase of Airbus aircraft for Middle East Airlines (MEA),

Dresdner Bank of West Germany is understood already

to have refused to participate

in the MEA deal as currently

and Spanish governments.

structured.

the Lebanese state carrier.

### Volvo's £160m truck order for Iraq nears completion

locally.

BY ROGER MATTHEWS

spread over the past 18-24. The fall in Iraq's oil revenues in the norm we are month period and the first caused by the war means the Dubai in the south.

Covernment is paying particu
With me end to the war in Iraq. coincided with the outbreak of war between Iraq and Iran.

The 7,000 units are equivalent to nearly 25 per cent of the Volvo Truck Corporation's total sales in 1981 and are thought to be one of the largest com-bined orders ever placed with a heavy vehicle manufacturer, by a single government.
Iraq has been totally depen-

dent on land routes for all its imports since the end of September, 1980, when fighting blocked its ports on the Shatt al-Arab and Umm Qasr water-ways at the head of the Gulf. Volvo is thought to be negotiating for further substantial orders, which may be placed

VOLVO IS to close to combut there is fierce international have said he could cover the pleting delivery of 7,000 heavy competition for the orders, £35,000 capital cost of his trucks to Iraq worth about which may amount to another vehicle in 12 months' driving to Iraq worth about which may amount to another.
The orders have been 1,000-1,500 vehicles.

Government is paying particular attention to prices. Iraq has already borrowed about \$22bn from Arab oil producers in the past 12 months, and Baghdad may now be interested in suppliers' credits for large

Volvo is reluctant to discuss sales to the Middle East because of political sensitivities in the region and has chosen not to publicise any orders that it concludes. British truck drivers have

on routes ranging from Turkey

sight, the trucking boom in Iraq is likely to continue for at least a year and perhaps as long as three to four years.

Even after a peace settlement has been agreed it will take many months to clear Iraq's waterways where more than 80 ships have been trapped since the start of the war.

Apart from repairs to por facilities, the Shatt al-Arab will have to be cleared of unexploded bombs and shells also been quick to see the importance of Iraq. There are now thought to be about 400 drivers in the country with their own vehicles which they drove to Baghdad from the UK. One driver is reported to understand and then dredged to remove the sandbars which have built up. Iraq is using ports in Jordan, Turkey, Syria, Kuwait, Saudi Arabia, Abu Dhabi and Dubai in order to bring in all its unilitary and civil supplies. and then dredged to remove the sandbars which have built up. Iraq is using ports in Jordan.

### French interest rates Continued from Page 1

the French Finance Minister, and central banks were acting to the dollar pledged that the Government in concert In New Yo would hold interest rates at the He said pressure against the the Government. the economy—for as long as French goods lost competitive-necessary.

"The priority is the parity were unfavourable.

He said pressure against the new high level—which would franc was "pure speculation" extended Monday's rally with tend to restrain the Govern- and "psychological." A realign rises of between one quarter ment's expansionary plans for ment could only be justified if and a half a point.

In New York early yesterday the Government bond market

In London yesterday, money market interest rates continued "The priority is the parity were unfavourable.

to ease in sympathy with the of the franc." he said. He ruled In Frankfurt, the West downward drift of U.S. rates. out any realignment within the German currency gained a The three-month Eurodollar EMS, and said the Government little ground during quite lively rate was down 1 point to 14% would defend the franc with trading against the dollar, closper cent and the three-month all its resources. He confirmed ing at DM 2.388 after opening interbank rate was also about that European governments in the morning at DM 2.38725 1 point lower at 13% per cent.

#### Midland may pull out of Beirut Airbus deal were withdrawing from the deal, saying this was the responsibility of the aircraft maker handling the finance

Airbus Industrie stressed yesterday that while Dresdner Bank's reluctance to participate in the airline package was already known, Midland Bank had made no official statement

chairman of the airline. But He would not comment on Its 1982 loss is likely to be this only represents 20 per cent whether Midland or Dresdner, between \$10m and \$15m.

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This leaves Credit Lyonnais, the French bank as the sole the risk if the loan is not repaid organiser of the finance pack-age, which is needed to help the airline purchase five Airbus by the airline. A-310 aircraft ordered from Airbus Industrie, the European aircraft maker owned by the French, West German, British

and Midland's reluctance is related to an unusual demand from the Export Credits Guarantee Department (ECGD) and its French and German equivalents (COFACE and HERMES) that the banks share

A \$70m commercial loan has been completed by a group of 40 banks led by Credit Lyonnais, according to Mr Asad Nasr, chairman of the airline. But

Airbus financing.

Midland, Dresdner and Credit of the \$350m package and has Lyonnais form the basic not yet been signed. The remaining 80 per cent

European banking syndicate for must come from bank syndi-It is understood that Dresdner cates with export credit guarantees from the various governments. The government money will only be forth-coming however, if the banks provide counter-guarantees and thereby share the risk.

In Beirut, Mr Asad said yesterday: "We have been con-cerned with the commercial side of the package. As for the export credit side, this is being dealt with by Airbus Industrie."

that it was withdrawing from the deal. "Financial discussions are still going on," said Airbus Industrie. The airline is said to have

made a loss of between \$17m and \$18m last year against a 1980 profit of more than \$2m.